Volume LXII] *September 1947* *[Number 3*

POLITICAL SCIENCE QUARTERLY

ON DEPRESSION AND WAR: NAZI PHASE

NAZI Germany was the main aggressor of World War II. Fear is widespread that a future Germany may again be responsible for another war. This raises the question as to the causes of the last war. We are told that two economic factors stimulated German aggression. One hypothesis maintains that the concentration of heavy industry in Germany constituted a major cause of war. The need for foreign markets as well as foreign raw materials generated tendencies of imperialist expansion. The Nazis, once in power, became the most important carrier of this imperialism. The other hypothesis sees a causal relationship between a severe depression and war. Widespread unemployment called for public works projects. In Nazi Germany, armament orders to the heavy and chemical industries provided employment. In order to maintain a high level of employment, all social classes became imperialistically minded and supported the war program of Nazis and militarists. It is with this second hypothesis that this paper is concerned.

The great depression created widespread unemployment of labor and underutilization of facilities in all industrial countries. Governments were called upon to fill the gap in employment. National governments accepted this responsibility but provided different kinds of employment. The United States provided public works; Great Britain fostered a residential construction program; Nazi Germany created a rearmament boom. Hence, governments tried to overcome the deficiency in employment. The deficiency itself, however, did not constitute a cause of war. It was only in Nazi Germany, Fascist Italy, and militarist

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Japan that the great depression gave rise to an armament boom. The problem of a causal relationship between depression and war was thus limited to industrial nations with fascist or militarist dictatorships. In fact, the great depression constituted merely the general condition, the various dictatorships the driving force toward World War II.

In utilizing the depression for a rearmament boom, the Nazis faced two problems. They had to adjust industries to the requirements of the rearmament policy; they also had to overcome the desire of many of their followers for a fundamental reform of the economy. This movement for reform developed a fairly definite program of action which limited and, on occasion, actually hindered the execution of the rearmament policy. How did the Nazis destroy this implicit opposition to rearmament within their party and government?

Nazi Ruralism

The middle classes constituted the original social basis of the Nazi Party and régime. Peasants, artisans, and white collar groups formed the center of strength of the movement. These groups influenced the ideology as well as the programs of action of the ruling party. A process of mutual penetration took place during the years from 1930 to 1933. The middle groups became nazified; the Nazis absorbed the economic and social ideals of the middle groups. The result was the formation of "middle-class socialism", which became a part of Nazi ideology.[1]

Middle-class socialism comprised two distinct features. One dealt with life in the country and was usually called "peasant socialism" (*Bauernsozialismus*). The other was concerned with the economic and social position of artisans and traders and was christened "artisan socialism" (*Handwerkersozialismus*). A peculiar brand of ruralism formed the link between the two.

The attempt to realize the ideals of middle-class socialism produced a program for a new social and economic order. The program proposed, in effect, a kind of economic counterrevolu-

[1] The other five features of the original ideology were racialism, imperialism, rule of the leaders, national community, and Nordic religion. Their import for the development of the régime will be discussed in a larger research project of the School of Business, University of Chicago.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion. Handicraft should be given preference over modern industries which should be drastically reduced and then organized into corporatives. Peasants should again be rooted in the soil. Land should cease to function as capital and become the irrevocable possession of peasant families.[2] In short, the economy should be reorganized so as to benefit economically small urban and rural business and give politically dictatorial power to the nazified middle classes.

Naturally, this program generated the opposition of big business, army leaders, and top Nazi leaders. Big business fought for maintaining the traditional industrial system and opposed the return to a modern version of an artisan economy. Army leaders rejected the artisan program on account of its tendency to reduce the military potential of the German economy. Top Nazis were opposed to middle-classs socialism for political and ideological reasons. They refused to utilize the dictatorial party as an instrument of the nazified middle classes. Nor were they interested primarily in an economic counterrevolution. Their main aim was the formation of a fascist empire which required the coöperation of big business and army leaders.

Middle-class socialism was gradually absorbed by the predominant ideals of racialism and imperialism and ceased to be a part of Nazi ideology. It was defeated because of its opposition to big business, its resistance to rearmament as the main policy, and its reluctance to accept imperialist expansion as the dominant goal of the Nazi régime. Nazi ruralism exemplifies the struggle between big and small business, between counterrevolutionary and imperialist Nazis, between internal reform and external aggression. It is therefore selected to describe the struggle within the régime for and against preparation of war.[3]

Nazi ruralism aimed at a new type of " rurban " community. The extensive literature on the subject contained strong criticism of modern city life. City people, no longer rooted in the soil, had lost their place in, and feeling for, the community. Chil-

[2] For a discussion of peasant socialism and its failure see Frieda Wunderlich, " The National Socialist Agrarian Program ", *Social Research,* March 1946.

[3] The writer is indebted to the Graduate School, University of Wyoming, where he taught for seven years, for a travel grant which enabled him to collect the data for the following study.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dren were regarded as a burden; intensive family life was considered a nuisance. In fact, cities with their large apartment buildings and impersonal relations tended to destroy the personalities of the people. This trend the Nazis insisted must be stopped. The large apartment buildings must be leveled; slums must be transformed into parks; laborers must be given the opportunity to build their own homes in small towns. Factories must be relocated and dispersed over the country. Families should be able to combine the advantages of rural life with the necessities of modern industry. Workers should raise large families, produce the food on their land, and lead the life of a semi-peasant. It was hoped that the resettled laborer would gain all the biological advantages which were attributed by the Nazis to the mystic qualities of the soil. Socially, it was expected that the semi-peasant would exert a stabilizing influence in society and gradually move upward into the rural middle class. The "rurban" community was thus regarded as an effective way to eliminate the proletarian living conditions and thereby solve the problem of the proletariat in modern society.[4]

The subsequent ruralism included (a) settlement of more peasants, (b) settlement of laborers in "rurban" communities, (c) dispersal of industries over all parts of the country, (d) the shifting from rail to canal transportation, and (e) general planning in the use of land. The most counterrevolutionary features of this program related to industrial location and transportation.[5] If realized, these goals would have dispensed with the prevailing industrial setup, which was organized around the deposits of coal, and rail tracks. The new canal program would have shifted the center of industry from the west to the middle and south of Germany.[6] Hence, these two features of

[4] *Cf.* L. Ludovici, *Das deutsche Siedlungswerk* (Heidelberg, 1935). From 1933 to 1938 the author of this book headed the program of party and Labor Front of building "rurban" communities for laborers.

[5] Erich Koch, the Nazi Gauleiter and governor of East Prussia, had developed a program of dovetailing industries with agriculture in his *Der Aufbau im Osten* (Breslau, 1934). Koch became later, according to Lochner and others, one of the largest owners of industrial properties in the Nazi hierarchy.

[6] For a description of the many plans for canal construction see Kurt Sensemann, "Arbeitsdienst als Mittel zur Krisenueberwindung", *Deutscher Volkswirt*, February 2, 1934.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the rural program faced the adamant opposition of the regular army and big business. Shifting of industries remained insignificant in the earlier period and need not concern us here. Our discussion will be limited to the attempts to transform farm hands into independent peasants, to establish laborers in "rurban" settlements, and to arrive at a general plan for the use of land.

Settlement of Peasants

When the Nazis came to power, 70 per cent of the people lived in cities, 30 per cent in rural communities. Intransigent Nazis declared it as their aim to reverse the ratio between urban and rural people. This called for an extensive increase in the number of farmers. The commissioner for settlement in the Ministry of Agriculture set the goal at 15,000 new farms each year. Did the Nazis realize this goal?

A new law of July 14, 1933 separated "rurban" from farm settlement and gave full authority for the settling of farmers to the nazified Ministry of Agriculture. The minister announced the two principles of his settlement policy. First, farm settlement should be limited to land that could be made available through purchase or reclamation. Hence, no major change in the property structure of land was intended; the estates of the Junkers remained untouched. Second, candidates for settlement should be limited to young peasants who were disinherited by the Nazi law dealing with estates or to farm hands with extensive experience.[7] Correspondingly, preference was given to prospective applicants in the following order: (a) disinherited farm sons, (b) farm hands on estates, (c) fully or partly unemployed farm hands. The list of priority excluded all city dwellers. This dispensed with the goal of a general increase in the farm population. Farm settlement became a means to help young farmers whom the law on entailed estates deprived of their inheritance.

The most difficult problem was how to secure land for settlement. During the depression many large indebted estates were willing to sell land to special purchasing agencies of the government. This supply gradually disappeared when higher food

[7] "Das Reichsgesetz uber die Neubildung deutschen Bauerntums", *Soziale Praxis*, 1933, p. 942.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

prices raised land prices. Therefore, the settlement act of January 1935 tried to keep land prices down and facilitate the transfer of indebted land to the government. The act emphasized the preëmption rights of the governmental purchasing agencies. They were authorized to reduce "unreasonable prices" of land prior to purchase. This introduced a price ceiling upon the land for prospective settlers. Moreover, the act laid down three rules for creditors of indebted larger estates:

(a) a mortgagor was forbidden to give notice on his loan when the indebted estate passed from owner to a govmental purchasing agency;
(b) a mortgagor could not object to the division of the indebted land among many settlers as long as they assumed together the obligations of the old debtor;
(c) when the transfer was completed, the mortgagor might ask for a new collateral on his loan. If so, he would receive new papers from a government bank in place of his old mortgage deed.

These provisions were advantageous for government and debtors but detrimental to creditors. Indebtedness ceased to be a bar to settlement of farmers on unprofitable estates. The government could secure indebted land merely through an exchange of private against public mortgage papers. The continued compulsion on creditors prevented them from withdrawing from the deal.

Yet the act fell short of its desired goal. A price ceiling on settlement land was ineffective. The price paid by governmental purchasing agencies per acre of land rose from 643 marks in 1932 to 1,457 in 1938.[8] Fewer applicants were interested in settlement because they found better paying jobs in cities after 1935. Profits in farming enabled many estate holders to settle their debts. This reduced the available land for settlement; the act of 1935 proved to be singularly ineffective.

In fact, the despised Republic had a much better record in farm settlements than did the Nazis. This can be seen from the following table:

[8] *Vierteljahrshefte zur Statistik des deutschen Reiches*, 1939, No. 3.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

	Weimar Republic			Third Reich [9]	
	New Settlements	*Acreage (hectares)*		*New Settlements*	*Acreage (hectares)*
1927 ...	3,372	36,704	1933 ...	4,914	60,297
1928 ...	4,253	50,616	1934 ...	4,827	72,969
1929 ...	5,545	61,213	1935 ...	3,905	68,338
1930 ...	7,441	79,833	1936 ...	3,308	60,358
1931 ...	9,283	99,642	1937 ...	1,900	37,000
1932 ...	8,877	101,926	1938 ...	1,894	26,649
Total ..	38,771	429,934		20,748	325,611

What were the reasons for this dismal failure of the Nazis' program in farm settlement? Three factors spoiled their efforts. Politically, the two deals with Schmitt and Schacht set definite limits to the amount of land available for settlement. The deals prevented the Nazis from using violence against Junkers. Nor could they buy out the holders of indebted estates. The German Settlement Bank had very limited funds. It could not sell bonds and bills because of the ban on such issues by the central bank. In effect, Schacht refused to give the Nazis cash to finance their extensive settlement program.

Economically, the rapid increase in settlements under the Republic, and the poor showing under the Nazis, may be attributed to the same cause: the relationship between migration and business cycles. When city life afforded less opportunity and unemployment rose, migration to cities slowed down and was even reversed. Former farmers were ready to return to the country. But in periods of prosperity more jobs at better wages were available and young farmers moved to the city. During the years 1936-1939, this correlation between prosperity and migration became effective again in spite of all Nazi propaganda for the healthy rural life.

Militarily, more laborers had to be employed in war plants. When skilled laborers got scarce, the earlier restrictions upon migration to cities were removed. For three years, agriculture became the reservoir for industrial manpower. More important, the Nazis in agriculture found it increasingly difficult to reconcile the requirements of the war economy with their ideal of ruralism. Many lost interest in their original " peasant socialism "; others followed the " necessities of the day ", as dictated

[9] *Wirtschaft und Statistik*, 1929, 1932, 1937 and 1940.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by the oligarchic clique of the party. On account of these political, economic and military events, settlement of farm hands was a failure.

Over-All Land Use Planning

The core of Nazi ruralism was their ambitious planning for the use of all land. This program was expected to be based upon definite principles, stated by Feder in a speech in Berlin.[10] First, the principle of freedom to build or to use land according to the personal interests of owners or builders must be abolished. Instead, land must be utilized according to a comprehensive plan for land use formulated by the government. Feder promised to issue the principles of such a plan in the near future (*Reichsplannungsgesetz*). Second, the whole pattern of city codes for houses and the construction of buildings must be basically revised. A new uniform building code was, he said, necessary in order to follow a uniform housing policy in all parts of Germany. The principles of such a policy would be stated in the forthcoming law on construction (*Reichsbaugesetz*). Third, though the general principles of industrial relocation and of urban housing policy could not be stated, two preliminary principles relative to the location of industries were emphasized by Feder. (1) A few basic industries only should be located at the deposits of raw materials. All other industries should be dispersed over the Reich. This would do away with the concentration of industries in a few overdeveloped areas. (2) The federal government should assume the authority to issue directions to industrial and municipal landholders, in which it should initiate the relocation of industry. For this purpose, the office of the commissioner for resettlement would prepare a law on expropriation (*Reichsenteignunggesetz*) which would enable the government to take possession of any property required for land use. Fourth, the various local and regional plans for the use of land and the building of villages and cities must be integrated. The new office of the commissioner for resettlement would establish a department for formulating plans of land use. It would study the local and regional plans and

[10] "Kundgebung des Reichssiedlungkommissars", *Deutsches Hankwerksblatt*, June 15, 1934.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

integrate them into a general plan for the Reich. Moreover, it would also revise the present local and regional planning offices and appoint the local and regional officials as representatives of the central office.

This was the program of Feder for the use of land. Shortly before he delivered this speech, he had been appointed general commissioner of "rurban" settlement policy. He and his friends regarded his appointment as a victory over the conservative element in the party. Gauleiter Koch welcomed the new commissioner and saw in his appointment an endorsement of his attempt to relocate or settle industries in East Prussia.[11] The leaders of the Food Estate, however, emphasized the scarcity of land and opposed its use for nonagricultural purposes.[12] Big business disapproved of the racial and populational ideas implicit in the resettlement program of Feder. Settlement should be regarded as a mere economic problem: projects should be adopted only if they would be self-supporting. Governmental subsidies would have to be avoided under any condition.[13]

Feder began to build up an elaborate administrative machinery for his office. Department IV in the Ministry of Labor, dealing with settlement of laborers and granting rent subsidies to unemployed, was transferred to the office of Feder. Also, the two divisions on housing and settlement policy in the Prussian Ministries of Economics and Labor were made accountable to Feder. Thus, Feder got control over all governmental agencies dealing with settlement policies outside of agriculture. As usual, party organizations were closely connected with governmental agencies. Ludovici became Feder's deputy. He was appointed to a civil service position although he remained a party official. Ludovici was in charge of all settlement policies of the party and head of the office of labor homes (*Heimstaettenamt*) in the Labor Front. Therefore, he could make sure that his party subordinates would keep track of all the governmental agencies administering settlement policies.

[11] *Preussische Zeitung*, April 4, 1934.

[12] *Nationalsozialistische Landpost*, April 6, 1934.

[13] Hans Baumgarten, "Siedlung—nicht Siedelei", *Deutscher Volkswirt*, June 1, 1934.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The first, and practically the only official, act of Feder was the preliminary law on settlement of July 3, 1934. Its aim was to give his office full information concerning all residential construction of significance. It ordered builders and governmental agencies to report (a) on all building projects that created more than 50 homes, (b) on relocation of nonagricultural plants with more than 25 homes for workers, (c) on the extension or repair of plants if this led to the employment of 50 additional laborers or the resettlement of 25 families. Obviously, Feder meant business: he was in the process of imposing a Nazi housing and industrial location policy.

The conviction of the leaders in the construction industry and of the army that Feder's land policy would affect their business detrimentally created a welcome opportunity for Schacht. After his deal with Hitler, Schacht fought for several months to get Feder out of his ministry as well as out of his offices in the party. The deputy leader of the party finally announced on November 26, 1934 that Feder was on vacation. In his place, Todt was appointed as the new leader of the party organization for technicians. Two weeks later the news came through that Undersecretary Feder had been pensioned off from his positions and relieved from his duties as commissioner of settlement policies.[14]

In short order, Feder's new administration was destroyed. Jurisdiction over settlement and housing policies was transferred back to the Ministry of Labor. A new board was created whose function was to advise the minister of labor on settlement policy. The head of this board became Ludovici who had survived the purge and retained his offices in party and Labor Front. He was willing to accept the condition of his new office that party officers could advise only. All administration functions would be handled exclusively by the local and regional offices of the Ministry.[15] Similarly, Feder's policy of ruralism was gradually replaced by a policy to utilize land primarily for purposes of the army and for the preparation of war. In addi-

[14] *Deutscher Volkswirt*, November 30 and December 7, 1934.

[15] "Der Siedlungsbeirat des Arbeitsministers", *Deutscher Volkswirt*, February 15, 1935.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion to the office in the Ministry of Labor, two other ministries received authority to deal with land policy. Most important was the office for securing land in the War Ministry. Its head was appointed with the consent of the minister of agriculture. The office had two functions: to determine the principles as to the use of land by the armed forces, and what kind of land should be made available for urban and rural settlements. Hence, the land policies of the minister for agriculture and labor were, in effect, formulated and approved by the War Ministry.[16]

To be sure, Hitler appointed an academy for research in land planning. It came under the domination of the minister of education who used it to predetermine the research of professors and students at universities. Established was also the office of space planning (*Raumordnung*). Minister Kerrl was appointed as its head. He revealed that the initiative to the formation of his office came from the Ministry of Agriculture which was opposed to the tendencies of the army to use agricultural land for military purposes.[17] Yet Kerrl's office was of little help to the Nazis in agriculture. It soon became merely the headquarters of the compulsory planning organizations formed in most cities. The military, however, was successful in securing land for its purposes (although it needed later the approval of Goering); for the available land fell from 20.5 million hectares in 1933 to 19.2 in 1938.[18] The activities of army and party—with their highways and stadiums—reduced the land available for farmers, and this corresponded to the declining number of people living on the land.

A House for Every Family

One of the original demands of the intransigent Nazis was that everyone should own his home. This goal was coupled with ruralism in two ways. In cities, the geographical distribution of houses was determined by income: each income group lived in a different residential section. This "class distinction in housing" should be eliminated through a program of every

16 "Der Landbedarf der oeffentlichen Hand", *Soziale Praxis*, 1935, p. 485.

17 "Reichsstelle fuer Raumordnung", *Deutscher Volkswirt*, August 2, 1935.

18 *International Yearbook of Agricultural Statistics*, 1934-35 and 1938-39.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

family owning its house. The new houses should be located either in the country, in small communities, or at the fringe of cities. Therefore, three kinds of houses were given preference, (a) the house with a small farm attached where a worker derived his income from a job in a plant as well as from his crops (*Landwirtschaftliche Nebensiedlung*), (b) the worker-owned home with a few acres of land to be cultivated by the family (*Kleinsiedlung*), (c) the worker-owned home with the garden in a small community or at the fringe of a city (*Heimstaette*). These were the types of home which the intransigent Nazi wanted to build for laborers.[19] It was hoped that such a housing policy would establish social harmony among groups and move laborers upward into the middle class.

In the first year of the régime, the Nazis abandoned gradually the resettlement of unemployed which had developed in the depression years. Under the Republic, rent subsidies had been transformed into resettlement subsidies, if the worker and his family moved to the fringe of the city where he could live cheaper in temporary living quarters (*Stadtrandsiedlung*). These settlements were bitterly attacked by the Nazis. Their main argument was that unemployed had no chance of making a living. The small plots of 1,000 *quadratmeter* could bring, at best, some supplementary income. Hence, subsidies were refused to fully jobless laborers. Workers with part-time jobs alone were granted resettlement subsidies. Moreover, more funds were granted to resettlement in small communities instead of at the fringe of large cities.[20]

A new over-all housing policy was proposed by Feder when he was appointed commissioner for settlements. His program for housing included the following points.

1. Cities of over 100,000 inhabitants must be deliberately reduced. The slums and old-town sections in cities must be eliminated or rebuilt. The new settlements at the fringe of cities would have to go. The cost for transportation to plants was too high; conditions for raising large families were not favorable.

[19] Ludovici, *op. cit.*

[20] "Vorstaedtische Kleinsiedlung", *Deutscher Volkswirt*, March 23, 1934.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

2. New cities should be located in the country, be small in size, and be built in every province of the land. These " rurban " communities should be the backbone of the German settlement, racial and populational policies.
3. A program to resettle industries must be adopted. Most of them would have to be moved from the large to the small cities. This would put an end to the conglomeration of millions in a few large cities, and would prepare the ground for healthy and decent living.[21]

In all, Feder's program visualized 20 million new homes in a period of fifty years. This compared to a total of 16.3 million homes which existed at the end of 1932 in Germany.

The Schacht-Hitler deal nipped these plans in the bud. The dismissal of Feder with the dismantling of his office was a severe defeat for the housing program of intransigent Nazis. This is obvious from the train of events that constituted the actual housing policy of the régime.

Housing and resettlement were shifted back to the Ministry of Labor. It issued a decree on February 19, 1935 (*Abloesungserlass*) which revised the whole policy of small settlements in the country or small towns (*Nebenerwerbs- und Kleinsiedlung*). The decree was based on the principle that the federal government would no longer subsidize this form of housing. The necessary funds would have to come either from settlers or banks or from repayment of federal loans by previous settlers. Formerly, the loan of the government was about 3,000 marks. Now it could not exceed 1,000 marks, except for " old fighters in the party " whose loan could be increased by 200 to 400 marks. The contribution of the settlers was raised: it should not be below 20 per cent of the total value of land and home. The greater part of the funds for settlements should come from private loans, and interest should not exceed 4.5 per cent. But the credit institutions opposed this limit and secured a rate of 5 per cent plus a commission for banks. The total value of the settlement should not exceed 3,000 marks, as compared with 8,000 to 10,000 marks for a worker's home in the " free

[21] *Deutsches Handwerksblatt*, June 15, 1934.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

market". Yet the sum was subsequently increased to 3,500, then to 4,500 and even 5,000 marks in following years. In order to keep the cost of construction and maintenance down, city governments had to reduce their fees for schools, streets and sidewalks, and so forth. The home-building officers of the Labor Front had to keep prices of land down and to insure that builders would adhere to the construction specifications of the government.[22]

The prospective settlers were carefully selected. The job and income of applicants had to be reasonably secure. Therefore, unemployed workers were excluded. Monthly wage income had to be four times as high as the obligations for the settlement. Among the fully employed laborers, with sufficient income, preference was given to (a) old fighters among the Nazis, (b) families with over four children, (c) and families who were racially sound and politically reliable.[23] In short, the Nazis received preference over others in the new regulations of urban settlements.

This check on racial soundness and political reliability of applicants was administered by the Labor Front. Its home offices (*Heimstaettenaemter*) coöperated with city governments and employment offices in considering the applicants for houses and in examining the land designated for settlement. When the Labor Front came to a negative decision, governmental agencies had to drop the case. But when the Labor Front approved, all administrative functions were performed by the respective government offices. The usual division of function between party and government offices was thus introduced after the intransigent Nazis were defeated.

There were many small changes in the provisions for "rurban" settlements. Rates of interest were reduced, total cost of settlements increased, necessary size of the land decreased.[24] These modifications tried to satisfy the criticism of settlers: that the actual living space was too small, especially for the third child;

[22] W. Ginsbertz, "Entwicklung und Zukunftsaussichten der Kleinsiedlung", *Soziale Praxis*, 1935, pp. 949 and 978.

[23] *Deutscher Volkswirt*, August 2, 1935.

[24] *Siedlung und Wirtschaft*, 1938, No. 9.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that construction was poor and the general conditions unsanitary. Yet all the modifications could not prevent the decline of "rurban" settlements. Their number fell from 30,000 in 1934 to 14,000 in 1936.

To be sure, the intransigent Nazis tried to develop three lines of a substitute policy. They induced employers to build "rurban" settlements for their workers; they announced a new program for a German settlement policy *in the future*; they gradually demanded "normal" houses for laborers. How successfully did the Nazis carry through these supplementary housing policies?

The paper program of a future settlement of laborers caused trouble. When candidates for "rurban" settlements heard of a more favorable program in the future they withdrew their applications. They preferred to wait for the better houses. The Nazis got busy to destroy this notion. Ley, in a speech, declared that "cheaper homes" in the future would not involve a gift for settlers. They would have to pay for the full value of their homes in any case. Savings in construction would provide the opportunity for the government to reduce its subsidies and withdraw from the financing of "rurban" settlements altogether.[25]

The Labor Front had argued furiously against "company towns" for workers. In 1935, it tried to induce employers to build either "rurban" houses or transfer the ownership of houses gradually to laborers. In the spring of 1935, an agreement was reached between the Labor Front, the economic organization of the construction industry, and the credit cooperatives for houses to the effect that industrialists would build houses near the plants but sell them to their laborers. Employers would make use of the federal subsidies for "rurban" settlements, put up a part of the contribution expected of settlers, and take over a guarantee for the mortgage of banks.[26] In spite of this, 20 per cent of the necessary capital remained uncovered. The headquarters of the construction organization suggested that employers should take over the 20 per cent of the capital on the condition that workers would repay such loans.

[25] "Um die Kosten der Siedlung", *Deutscher Volkswirt*, November 20, 1936.

[26] Eugen Voegler, "Das Problem der Arbeitersiedlung", *ibid.*, June 24, 1935.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Yet not much came of the agreement. Companies remained owners of the houses for their workers. When employment rose, labor turnover increased. Employers asked laborers, who left their job, to vacate the houses. The agreement with the Labor Front was dropped. It was suggested by industry that a program of building "straight" labor houses should be adopted. The Labor Front put up some resistance but gradually gave in.[27] The second part of its housing program, whereby laborers should become owners of their houses, was discarded.

Repeal of the program for "rurban" settlements and house ownership by laborers, it has to be emphasized, was a result of two causes: opposition of big business and preparation for war. The former limited the Nazi housing program to small dimensions. The preparation for war, however, killed even the reduced plans for housing.

The following table gives the total of the new homes and breaks down the various kinds of homes built under the Nazis.

	1933	1934	1935	1936	1937 [28]
A. Homes preferred by intransigent Nazis					
Home with some acres	25,000	30,000	22,000	14,000	19,000
Home with small garden ...	8,400	15,000	10,200	4,200	400
Rural houses of farm hands	100	200	100	0	1,500
Emergency houses	0	5,000	7,800	700	500
	33,500	50,200	40,100	18,900	21,400
B. Homes preferred by conservative Nazis					
"People's Homes"	0	0	0	7,500	35,000
Federal loans of privately built and owned houses	1,000	7,000	28,000	64,000	80,000
	1,000	7,000	28,000	71,500	115,000
Total of new homes	34,500	57,200	68,100	90,400	136,400

"Rurban" settlements and houses owned by laborers declined after 1934. From 1936 on, the "people's" houses, that is apartments without any land or ownership for laborers, increased. So did loans for privately built houses. Increased employment of laborers in war plants induced the Nazis to abandon their "rurban" housing program. At the same time the total volume of construction rose from 3.2 billion marks in 1933 to 12 billion marks in 1938. The portion spent for residential construction fell from 28 per cent to 18 per cent,

[27] *Soziale Praxis*, 1939, p. 175.

[28] "Das Wohnungsbaujahr", *Soziale Praxis*, 1937, p. 499, and 1938, p. 693.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

whereas the portion of public and military construction increased from 72 to 82 per cent; [29] hence, residential construction became limited to the building of houses essential for the war economy. The same picture of a decline of governmental funds for private houses can be seen from the following table.

FINANCING RESIDENTIAL CONSTRUCTION [30]

	Mortgages of credit institutes	Private funds not from banks	Governmental funds
1928	1,325	135	1,340
1933	165	600	185
1934	375	825	300
1935	600	775	225
1936	880	960	165

The total funds for residential construction declined during the depression and then rose slowly; but private funds, organized and unorganized, accounted for the increase. Governmental expenditures were very small compared to the considerable public expenditures during the Republic. Even the small governmental funds fell after 1934.

The shift to the war economy required a further change in the organization of the Labor Front and a weeding out of intransigent Nazis. When the Four-Year Plan was adopted Ludovici published an article on "Total Defense" ("Totale Landesverteidigung").[31] He distinguished between two kinds of defense, one for peace, another for war. Each required an active settlement policy and a general planning of land use. The Labor Front, he said, prepared in part for the defense for peace. Its future settlement and housing policy would from now on concentrate upon "defense for war". Yet these artificial distinctions did not help him. A new leader was appointed for the *Heimstaettenamt* of the Labor Front. The Labor Front radically changed its housing policy. Said the new leader in charge of labor homes: "one cannot overlook the fact that large sections of the population do not appreciate the small rural settlements. The majority of laborers prefer apartments in cities." [32] The original goal of the intransigent Nazis of a house

[29] T. Tern, "Hochbetriebe im Baugewerbe", *Wirtschaftskurve*, May 1938.

[30] H. Kruschwitz, "Die deutsche Wohnungswirtschaft seit 1933", *Jahrbuecher fuer Nationaloekonomie und Statistik*, 1937 (v. 146), pp. 26-53.

[31] *Deutscher Volkswirt*, January 22, 1937.

[32] *Deutsche Arbeitskorrespondenz*, 1938, No. 61.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for everyone was discarded — presumably laborers preferred apartments.

In reality, the Four-Year Plan of September 1936 ended the last features of ruralism. It called for a change in land as well as in housing policy. Agricultural land policies were made subordinate to military requirements. Housing had to satisfy the needs of laborers in war plants and substitute industries. A decree of the Labor Ministry on November 17, 1936 announced that financial support of "rurban" settlements would be stopped. Housing for purposes of war was the only criterion for governmental and party actions after 1936.[33]

In consequence, the three features of ruralism failed for different reasons. Resettlement of farm hands failed on account of the opposition of Junkers and generals. Planning the use of land failed because of the opposition of big business and militarists. "Rurban" housing, however, was primarily discarded by the oligarchic clique of the party who established a war economy in time of peace through the second Four-Year Plan.

Rearmament Versus Ruralism

From 1934 to the end of 1936, rearmament was the main economic goal of party, army and big business. This policy gradually developed into a war economy in time of peace. How and in what way did these two lines of economic policy contribute to the failure of ruralism?

Briefly, rearmament constituted an effective limit to the realization of ruralism. Big business and army did not fight openly against ruralism, which would have brought them into conflict with Nazi ideology. Instead, ruralism was fought as a detriment to German rearmament. Intransigent Nazis, on the other hand, tried to prove that social harmony via ruralism was a means of increasing the inherent strength of the régime. Moreover, when the party leaders introduced the Four-Year Plan, they decided to eliminate the remnants of ruralism. Land use and housing policy were radically changed in order to conform with the requirements of the war economy. This new policy produced also an ideological conflict between two Nazi

[33] *Cf. Soziale Praxis*, 1936, p. 1511, and 1937, pp. 1362, 1518.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ideals: middle-class socialism and imperialism. In the field of practical policy, the change was radical and decisive. All believers in ruralism were removed from their offices and deprived of any influence. In the ideological field, however, a gradual transformation took place. Features of middle-class socialism were incorporated in the predominant ideal of fascist imperialism.

Conflict between ruralism and rearmament appeared as a competition for funds. Scarcity of capital constituted the major economic difficulty for the realization of both programs. Under the leadership of Schacht, the government adopted a program of investment planning. This involved the reservation of available capital for financing rearmament and also an extensive control of the capital and money markets. The policy of investment planning for rearmament provided the weapon for big business in its fight against the realization of ruralism.

Normally, funds for rural settlements and houses were obtained through the issue of special mortgage titles (*Pfandbriefe*) by land or real estate banks, public or private. Under the Republic, a German Settlement Bank was set up which financed the purchase of land for rural settlements. It secured funds through sale of bills and bonds. The program of investment planning, executed by the central bank under Schacht, closed the capital market to private and public mortgage banks. Schacht imposed an embargo upon the issue of new bills and bonds. This restriction was also applied to the German Settlement Bank which was dominated by the nazified Ministry of Agriculture. In consequence, land and mortgage banks suffered from a dearth of capital. The Nazis in agriculture were unable to buy land for rural settlements.

An embargo was also imposed upon the conversion of securities outstanding. Permits for conversion were issued only if new funds were not required. Permitted conversions usually had to lead to an effective reduction of interest on securities. The policy of deliberately lowering the rate of interest was legalized in July 1936. Creditors of mortgages not yet converted had to reduce the rate of interest voluntarily. If no agreement could be reached, the debtor could obtain a reduction by court action.[34] The restrictions upon issue and conversion as well as

[34] "Die Kreditmaerkte im Konsolidierungsprozess", *Deutscher Volkswirt*, December 24, 1936.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a lowering of interest reduced profit opportunities so that investors refrained from investing their funds in projects of agriculture and especially of ruralism.

Refused issues and reduced interest rates lowered the demand for funds. Employment springing from rearmament, however, increased the supply of funds. Capital accumulated in savings banks which had no ready opportunities of investment. The result of manipulating demand and supply of funds was a seeming liquidity in the capital market. This enabled the treasury to place governmental bills and bonds with banks or the public. Funds obtained were utilized to finance rearmament orders. In consequence, investment planning produced two effects: it deliberately reduced the investment of funds in agriculture and small business; it channeled the available funds to the armament industries via increased orders of the military.

The policy of deliberately limiting investment in residential construction and resettlement was opposed by intransigent Nazis; and opposition was strong also among the leaders of the mortgage and savings banks as well as of the construction industry. The numerous complaints of credit institutes centered on two arguments. Increasing bond prices and direct investments were regarded as evidence of funds in search for new bonds. It was asserted that government investment planning could not reach these funds. Credit institutes should be permitted to absorb idle funds or prevent direct investment in less desirable projects. Moreover, a causal connection was asserted between governmental subsidies for housing and the embargo on new bonds. The smaller the funds absorbed by the credit institutes, it was said, the greater the demand for governmental subsidies. A permission to issue new bonds would thus enable the government to reduce its subsidies.

Yet these arguments were not convincing. As our preceding table on financing residential construction has shown, governmental subsidies consistently declined; direct investment as well as institutional investment rose. The arguments of the credit institutes amounted to a complaint that the embargo fostered direct investment and thereby reduced their business opportunities. Leading Nazis emphatically rejected the complaint. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

interests of the state and of defense, they insisted, were more important than the private interests of banks.[35]

The construction industry, in contrast to credit institutes, did not suffer from a limit on its volume of business. Firms in this field experienced a marked shift from residential to public and military or industrial construction. The close relationship between nonresidential construction and armament boom, however, made it difficult to attack directly the increasing governmental expenditures. The camouflaged criticism of the leader of the group on residential construction proceeded along two lines. He accepted the official justification of rearmament: a temporary redirection of business until Germany had reached military equality with her neighbors. He then asked himself how the prevailing level of employment could be maintained when public orders for construction ceased. His answer was that residential construction would provide an important reserve. He calculated a backlog of 1.2 million homes. To this he added the net demand for each year. He concluded with the plea that everything should be done to keep residential construction firms going so that they would be ready to fulfill their function of taking up the future slack in employment.[36]

The discussion on the future demand for houses was quite extensive. The various estimates did not differ greatly. Dr. Friedrich Goerdeler, during his tenure as price commissioner, had initiated a study of the demand for homes. His staff estimated the objective demand for 1.5 million homes and the subjective demand for 1 million homes. The latter alone he regarded as effective demand, since the former was based on an estimate of what kind of minimum shelter people ought to have. To this backlog of one million homes had to be added the yearly demand for 200,000 homes. Hence, Goerdeler came to a prospective demand for 1.8 million homes for the coming five years. This was a conservative estimate. The expert of the official Research Institute on Business Cycles estimated even a demand for 4 million homes during the years 1938-48.[37]

[35] "Emmissionssperre und Staatsbedarf", *Deutscher Volkswirt*, February 21, 1936.

[36] M. Knuettel, "Reserve: Wohnungsbau", *Deutscher Volkswirt*, January 31, 1937.

[37] Walter Fey, *Der kuenftige Wohnungs- und Siedlungsbau* (Hamburg, 1939).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The estimates on future demand for houses were closely related to the general economic policy of the régime. The estimates were based upon the assumption of a definite limit to the rearmament boom. Economists, in estimating demand, tried to prove that a decline in armament orders would not have to lead to a depression. Instead, the armament boom could be transformed into a residential construction boom. This change in the nature of the boom would guarantee a level of high employment. Without saying so, economists established an even more vital point. The backlog of demand for homes proved conclusively that the rearmament boom was not an economic necessity. Full employment could have been secured by concentrating upon residential construction and increased export of goods. The argument that Germany in the thirties either had to produce military equipment or suffer under severe unemployment was incorrect. It was not the nature of the German economy, as is frequently asserted today, but the imperialist policy of the Nazi régime that made the rearmament boom inevitable.

During 1936, all articulate groups in Germany were convinced that they were standing at a crossroad. Three alternatives were proposed for the over-all economic policy of the régime. Generals and imperialist Nazis wanted to speed up and broaden the economic preparation for war. They demanded a war economy over a mere rearmament boom. Big business, led by the leaders of the heavy industries, insisted upon a continuation of the rearmament boom. Yet lack of funds and foreign raw materials created increasing difficulties which were intensified by increasing demands of the military. Schacht rejected the demand of the army for more foreign raw materials; he also demanded drastic economies from the Nazi Party and its suborganizations. He suggested to Hitler the appointment of a commissioner who would have to examine revenues and expenditures of all governmental and party agencies. All nonessential expenditures and funds should be utilized for financing armaments.[38] Needless to say, neither the party nor the army was willing to come under the domination of big business which was implicit in Schacht's proposals.

[38] *Cf. Nazi Conspiracy and Aggression*, vol. III, p. 870.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The third alternative was proposed by intransigent Nazis as well as by leaders of the construction and export industries. The last two demanded a shift in economic policy either to a residential construction or to an export boom. Intransigent Nazis fought for the realization of their program of "rurban" settlements. It gradually became clear that this third line of policy was the real alternative to the armament boom as well as to a war economy.

The man who stated the third alternative comprehensively and fought for it publicly was Dr. Friedrich Goerdeler. He was price commissioner in 1934-35 and mayor of Leipzig in the earlier phase of the régime. During his tenure as price commissioner, Goerdeler came into conflict with the rearmament policy; the price level could not be stabilized under conditions of the rearmament boom. In his search for opportunities to reduce cost, Goerdeler surveyed all aspects of the rearmament policy. His conclusion was that a drastic change in economic policy was called for. In many articles, published in the general and economic press, he proposed his economic program.

Basic was his suggestion that Germany should return to a full participation in the world economy. As he pointed out, such a policy would entail (a) return to an international currency and elimination of exchange control, (b) balancing the budget and calling a halt to the rise in the national debt, (c) a reduction in armament orders and increased emphasis upon exports, (d) a concentration upon building of homes. The boom in residential construction was regarded as a necessary complement to an expected export boom; for construction would help to shorten the transition from the production of war to civilian materials and sustain the export boom.[39]

How large a capital investment would be necessary for an extensive building of houses? Goerdeler estimated that building 360,000 homes each year, each house costing 6,000 marks, would call for an investment of about 2.2 billion marks. Such a large investment program, covering many years, would require a basic change in the financial policy of the government. The government would have to reduce drastically its subsidies to

[39] F. Goerdeler, "Deutschland und die Weltwirtschaft", *Deutscher Volkswirt*, June 12, 1936.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

builders. It also would have to refrain from placing governmental bonds, balance its budget, and open the capital market to private banks and firms. Financing of construction projects should again become the function of mortgage and savings banks. Moreover, every effort should be made to reduce building cost. Yet it was recognized that a substantial decline in capital outlay for standard houses could not be expected. A new type of inexpensive house should be built. Goerdeler supported a program of small settlements (*Kleinsiedlung*) in the country. The houses could be built cheaply and the settler could realize about 200 marks in real income from his plot of land. It was estimated that a total of 1.5 to 1.8 million families would be willing to return to the land, live as settlers, and work part time in factories.[40] The settlement program would satisfy the elementary needs of families without homes; the investment program would provide the capital for extensive building of regular houses. High-level employment could thus be insured without resort to the production of war materials.

Goerdeler's economic program was no small achievement. It merged the economic demands for more houses, more residential construction business, and more export of goods with the settlement program of intransigent Nazis. The adoption of the last feature was a shrewd move, regardless of whether Goerdeler believed in the settlement program or not. The move was based upon the established fact that an economic program could be adopted only if supported by the party. Goerdeler's program tried to mobilize the adherents of middle-class socialism against the ruling group of the party. The same policy was pursued relative to business. The construction and export industries were played against the leaders of heavy industries whose rising profits depended upon armament orders. In a democracy, this unification of otherwise diverse interests would have had a definite political effect. What happened to this economic program in the Nazi régime?

The raw-material and foreign-exchange crisis, limiting the armament boom, reached its peak in the summer of 1936. Hitler appointed Goering as an investigator whose assignment

[40] F. Goerdeler, "Kleinsiedlung und Wohnungsbau als politische und wirtschaftliche Notwendigkeit", *Deutscher Volkswirt*, March 27 and April 3, 1936.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was to overcome the crisis. Goering set up a commission which examined all aspects of economic policy. It also accepted outside proposals for alleviating the crisis. Two such memoranda were discussed in the fateful cabinet meeting of September 4, 1936. One came from the minister of war, the other from Dr. Goerdeler. The former proposed a substantial increase in production of military materials. Dr. Goerdeler presented his economic program. Goering condemned it as "absolutely useless", because it proposed "a considerable limitation of armaments".[41]

Opposition of party leaders killed the chances for the proposed construction and export boom. Goerdeler and his allies were powerless. They did not command military forces and economic organizations which they could use as weapons in their fight against imperialist Nazis and generals. Nor were they able to present their program to the public after the party leaders had condemned it. This negative decision against internal reform and civilian employment turned the scales in favor of war. It also settled the future of Goerdeler. He wrote his political testament while visiting the United States in 1937.[42] Toward the end of the war, Goerdeler was one of the leaders of the revolt in July 1944. He was slated to succeed Hitler. When the revolt failed, Goerdeler fled. He was caught in East Prussia and hanged by the Nazis.

The proposal of the war minister was incorporated in the Four-Year Plan which established a war economy in time of peace. All fields of economic activity soon felt the impact of the new plan. Some were greatly expanded, others were drastically reduced. Rising residential construction was one of the fields in which the government imposed severe restrictions. The new housing policy of the régime was laid down in a decree of November 17, 1936. "Rurban" settlements ceased to be the goal of the public housing authorities. The new aim was to build inexpensive homes for "essential" workers. Governmental subsidies were limited to projects providing homes for such laborers.[43] The aversion to huge apartment buildings for

[41] *Nazi Conspiracy and Aggression*, vol. VII, p. 472.

[42] *Goerdelers politisches Testament* (New York, 1945).

[43] "Bau von Arbeiterwohnungen", *Soziale Praxis*, 1936, p. 1434.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

laborers, to crowding laborers in cities, was completely discarded. Housing had to satisfy the requirements of the war economy. The rural settlement program became the victim of the Four-Year Plan.

Extensive building of small or makeshift homes was going on from 1935 to 1939 in central Germany which became the second industrial center of Germany. The population of this region increased by almost one million people. Some cities experienced an increase of over 100 per cent in their population. From 1933 to 1938, the population of Madgeburg rose from 102,000 to 233,000, of Halle from 98,000 to 202,000, of Bitterfeld from 38,000 to 80,000. These cities became the centers of the various substitute industries, fostered by the Four-Year Plan.[44] It was in this region that the new housing policy found its most vivid expression; the new homes could not satisfy the rising demand for shelter. The result was widespread scarcity of homes, general overcrowding of families and rising rents which led to extensive rent control by the government, beginning in 1937.

In all regions, residential construction came under extensive regulation by the government. Goering issued a decree on November 7, 1936 which gave employment offices full control over supply of skilled laborers. Construction firms had to report every project which involved a payment of wages of over 5,000 marks. At a later date, all projects requiring hired laborers had to be reported. Laborers could no longer be hired by employers directly. They had to be secured through the employment offices. This requirement enabled the offices to channel laborers to the desired construction projects, and refuse laborers for nonessential projects. The result was a substantial decline of residential construction. Total expenditures for residential construction fell from 2.2 billion marks in 1936 to 1.5 billion in 1939.

At the end of 1938, Goering appointed the Nazi Todt as plenipotentiary for the construction industry. He already had full charge of constructing military roads and fortifications. Extending his authority to the regular construction industry gave Todt

[44] H. P. Pauls, "Das neue Mitteldeutschland", *Wirtschaftskurve*, February 1939.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the opportunity to utilize firms and laborers for war construction. He introduced a priority system for building projects, public as well as private, and established governmental allocation for scarce building materials. The working period was extended to the winter months. Methods of construction were simplified and "rationalized" by governmental decree. Firms were instructed to form coöperatives so as to assume jointly the responsibility for large public projects.[45] Shifting laborers and materials to public projects incorporated the construction industry into the war sector of the economy. Over-all regulation of the industry for purposes of war destroyed any opportunity for a socially desirable and privately financed residential construction boom.

Nazi Experience and Disarmament

What does this course of events signify for the relationship between depression and war? Three lessons emerge. They are concerned with (a) the depression relative to the origin of war, (b) the relationship between economic rearmament and middle-class socialism, (c) the rise of a war economy in time of peace and its implication for industrial disarmament.

Available evidence supports the conclusion that the great depression did not constitute a major cause of war in Germany. Instead, the depression had three quite different effects. The depression led to a counterrevolutionary movement of the middle class which culminated in the seizure of power by the Nazis. The depression also reduced the strength of democratic parties and increased the appeal of the Communist Party in larger cities. These two effects, products of the depression, undermined the Weimar Republic. The result was a temporary dictatorship of the military. The depression thus destroyed confidence in democracy and gave rise to two dictatorial power groups, namely, the regular army and the Nazi Party. Reconciliation of the differences between these power groups produced the Third Reich. In consequence, one can observe a causal relationship between the severe depression, the disintegration of the democratic system, and the rise of first a military and then a fascist dictatorial régime.

45 "Ordnung im Bauwesen", *Soziale Praxis*, 1939, p. 15.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Moreover, unemployment of millions, large underutilization of industrial facilities, and a subsequent threat to the very existence of social groups had a definite psychological effect. The severity of the depression changed the attitude of all relevant social groups relative to the rôle of government in business. Even the most conservative factions in the middle and upper classes favored large-scale economic activities of the government. The government was definitely assigned the function of providing employment for laborers and orders for firms. A strong sentiment to create employment at any price could be observed in the middle as well as in the labor classes. Many people did not care about the specific nature of employment, if only orders and jobs were forthcoming. This demand for jobs at any price undermined the reluctance of millions to produce war materials in time of peace. The depression thus generated a psychological receptiveness for an armament boom, so long as this was an effective means of creating jobs and orders.

Finally, unemployment and underutilization did not suggest the same remedies to the different social groups. The economic programs of two social groups were important in the Nazi régime. Nazified middle class as well as upper class presented different programs for creating employment through governmental actions. Nazified small business demanded a construction boom; for about 50 per cent of the artisan shops were somehow connected with the construction industry. This demand was so strong that the leaders of the party, army and big business had to make a concession. A program of governmental subsidies for repair and remodeling of homes was a central point in the first employment program of the régime. This rebuilding program was regarded by many Nazi followers as the first step toward a realization of middle-class socialism. This ideal took on a more concrete form; it was gradually translated into a program of action. Although fantastic in many of its aspects, this counterrevolutionary program strengthened the forces for internal reform. It also tended to reduce the external aggressiveness of the Nazi régime. The available resources were spent for the rebuilding of homes, instead of munitions. The employment program of small business generated a conflict with big business and army. Such a conflict might have undermined

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the national unity necessary for external aggression. Within the framework of the Third Reich, middle-class socialism was thus a program for internal reform that did not constitute a threat to world peace.

The rebuilding program, supported by small business, was short-lived. The government decided in April of 1934 to terminate the subsidy program. This decision was followed by a deal between Schacht and Hitler which was instituted after the S.A. was deprived of its power in the purge of June 1934. The deal initiated a fundamental change in the over-all economic policy of the régime. The rearmament program was the main feature of the deal. Economic rearmament became the main goal and guiding principle for economic activity. Schacht was given dictatorial power to direct and execute the rearmament program. This shift in economic policy amounted to a victory of big over small business; for rearmament was the program of big business and army generals for creating employment which was now translated into the economic goal and policy of the Nazi Party.

Shift to economic rearmament was not an inevitable consequence of the severe depression. It was "inevitable" only under the prevailing conditions of the dictatorship. Economic rearmament expressed the desires and satisfied the interests of the three powerful groups in the régime. Imperialist Nazis, dominating the party, supported rearmament in order to prepare for war and conquest and thereby for the formation of a fascist empire in Europe.[46] Army generals insisted upon economic rearmament so as to increase the military power of Germany and thereby reverse the prevailing distribution of power established through the Treaty of Versailles. Big business demanded economic rearmament because it desperately desired big orders from the government. These orders enabled the heavy industries to produce again, utilize their invested capital, and replace losses by increasing profits. Although differing in their specific motives, the three powerful groups agreed upon economic rearmament which they imposed upon the people.

[46] For a frank statement of Nazi imperialism see Hitler's speech of November 5, 1937 in a secret meeting of party leaders and generals. *Nazi Conspiracy and Aggression*, vol. III, pp. 295-304.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It is most likely that imperialist Nazis and militarists, once in power, would have tried to impose economic rearmament, regardless of the particular conditions of business. Without a severe depression, however, creation of a rearmament boom would have been most difficult. Consumption as well as residential construction would have had to be reduced deliberately. Either armament orders would have had to be imposed upon heavy industries, or prohibitive prices would have had to be paid for war materials. Export industries would have had to be strangled so as to make room for armament orders. These actions would have delayed economic rearmament and undoubtedly generated considerable resistance by all groups, including some sections of big business. As it was, the misery of the severe depression created the most favorable conditions for the rearmament boom. Instead of seeing in rearmament the first step toward war, most people regarded armament orders merely as a special kind of public works program. The employment-generating effect overshadowed all others, including the potential threat to the peace of the world. It is at this point that we can see the connection between depression and war: the need for governmentally generated employment constituted a contributory factor for economic rearmament. Yet the cause of the rearmament, as well as the political responsibility for it, resides in the three powerful groups of imperialist Nazis, generals and big business.[47]

How did middle-class socialism affect economic rearmament? Purge and the Schacht-Hitler deal destroyed the influence of the intransigent Nazis. This eliminated the chances for the realization of middle-class socialism. It ceased to be an alternative to economic rearmament. Intransigent Nazis could no longer utilize the power of the party in support of their ideal; for the party leaders had promised to support all necessary measures for economic rearmament. On the whole, they kept this promise; Schacht frequently obtained the backing of Hitler against intransigent Nazis. Yet the party consistently refused to suppress the nazified middle-class organizations. They were able to promote some of their economic interests which resulted in a

[47] The International Military Tribunal did not regard the creation of a rearmament boom in time of peace as a criminal act; hence, the aquittal of Schacht as the man who directed economic rearmament during the first phase of the régime.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

conflict between big and small business. In this conflict, nazified small business was defeated by big business. Economic rearmament definitely destroyed the chances of middle-class socialism.

During the period of conflict, nazified small business was able to pursue some economic policies that acted as a deterrent to economic rearmament. Three such limitations especially irritated Schacht:

(a) The relatively high volume of residential repair and construction which took place in spite of a decline in governmental subsidies. It limited the available labor supply for "essential" construction.

(b) Increased direct financing of business which kept funds away from governmentally regulated banks. This reduced, in effect, the opportunities for financing economic rearmament.

(c) Import and marketing policies of the Estate of Agriculture which prevented a high level of agricultural production and led to unexpected imports of food which further reduced the small funds of foreign exchange.[48]

These and other actions of nazified small business constituted a limitation on economic rearmament. These limitations aggravated the situation. They were not responsible for the crisis in economic rearmament which developed in 1936.

Two decisive events generated that crisis. Army leaders demanded a substantial increase in the production of war materials and in the funds for financing economic preparation for war.[49] This demand could not be satisfied under the rules and conditions of economic rearmament. At the same time, the objective possibilities for a continuation of this policy dwindled. Internal and external factors acted as barriers to further economic rearmament.

Internally, almost full employment and increased consumption became effective barriers. In most armament industries

[48] For Schacht's arguments against the policy of the nazified Estate see *Nazi Conspiracy and Aggression*, vol. VII, pp. 391-94.

[49] See the letter of the minister for war to Goering, who was commissioned by Hitler to investigate the crisis, in *Nazi Conspiracy and Aggression*, vol. III, pp. 892 *et seq.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a situation of full employment had developed. Skilled laborers became scarce. Industrial facilities were overutilized. More laborers and plants were necessary to fill the backlog of armament orders. At the same time, a longer working week and employment of more laborers increased total wage income and consumption. Producers of consumers' goods competed for scarce raw materials and producers' goods. Civilian production thus limited the chances of filling armament orders. This dilemma posed a definite alternative to Goering and his commission: either limit armament production or reduce production and consumption of civilian goods; for the available resources proved to be insufficient to satisfy fully the demand of the military as well as of civilians.

Externally, economic insulation led to an increasing scarcity of foreign exchange. This limited the opportunities to buy increasing quantities of foreign raw materials. Lack of foreign exchange became so serious that imports of foreign wool and cotton were drastically reduced. This led to part-time employment in the textile industry. Scarcity of raw materials threatened widespread unemployment in the automobile industry. The exchange and raw-material crisis could be overcome only by either reducing armament production and increasing German exports or producing substitute materials at home.

The ruling party overcame the crisis by adopting the Four-Year Plan. The goal of this plan was the formation of a war economy in time of peace. Production of substitute materials was greatly fostered; production of civilian goods was gradually reduced. Priorities and allocation of materials and hiring permits for laborers shifted the available resources to the essential industries. The new goal and strategic economic planning required a change in economic leadership. Goering was appointed as leader of the economy who drove Schacht from his position of minister of economics. The new leader reorganized the governmental economic agencies and appointed production commissioners for most industries. In consequence, the party became the major holder of power, big business was reduced to the minor partner in the régime.[50]

[50] Arthur Schweitzer, "Big Business and the Nazi Party in Germany", *Journal of Business*, January 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The shift from rearmament boom to war economy was of vital significance for the economic war effort. It was not economic rearmament but a war economy in time of peace that furnished the economic basis for Nazi aggression. German resources were too small to be mobilized merely through a rearmament boom. A far-reaching reorganization of the economy was necessary to mobilize the available resources for war. A system of governmental planning had to be imposed.

Further study of the Nazi war economy in time of peace seems necessary. If the available information should establish the presumption that a future Germany, on account of its limited resources, has necessarily to establish a war economy long before her armies can attack, this would open a new perspective for industrial disarmament. Neither deindustrialization, tried unsuccessfully in defeated Nazi Germany, nor an extensive system of internationalizing the industrial centers and of widespread industrial inspection seems to offer a good prospect of success. In fact, these plans would not be called for if industrial disarmament could concentrate upon preventing the formation of a war economy in time of peace. The main features of such a war economy could be used as criteria for actions by Allied governments. The data now available on Nazi economic activities as well as the war experience of other industrial nations should enable economists to clarify and present the main features of a war economy in time of peace. Such studies could furnish the necessary material for the State Department to arrive at a policy of industrial disarmament which, if adopted, could provide real security for Germany's neighbors, could effectively prevent German aggression by another dictatorial régime, and yet permit re-industrialization of Germany and of Europe. The success of a policy of industrial disarmament depends upon its ability to prevent the use of heavy industries for preparation of war without being forced to suppress industrial production and to lower standards of living in time of peace.

ARTHUR SCHWEITZER

INDIANA UNIVERSITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE REESTABLISHMENT OF THE REPUBLIC IN FRANCE: THE DE GAULLE ERA, 1944-1945

IN the century that followed its Revolution, France gave the world a kind of review of alternative ways to organize the political affairs of a modern state. None of these varied régimes, however, had departed so widely from the Great Tradition of 1789 as did the potpourri of *ancien régime* and corporate fascism that Vichy and the Germans maintained from 1940 to 1944. After liberation, France responded by giving primacy to the reëstablishment of the Republic in the year and a half between the Allied landings in Normandy and the passing of authority from General de Gaulle to the National Constituent Assembly.

We are here concerned primarily with this process, and particularly with the political balance within which it was worked out.[1] But no aspect of the liberation period can be understood apart from the total burden of difficulties that weighed upon France in these years: the problems of war and peace, of misery, breakdown and disunity, of reconstruction and reform at home, of status and security abroad. These problems bore simultaneously upon a tired, divided and anxious people undergoing its sixth winter of occupation and war, and upon a government whose position was undefined and whose administrative resources were fragmentary.[2]

[1] This paper (with minor revisions) was presented as part of a program on "France Since the Liberation" at the annual meeting of the American Historical Association in New York, December 27, 1946. The opinions expressed herein are based largely upon the writer's observation of French affairs during the war years, notably in Algiers from October 1943 to August 1944, and in France from then almost continuously until November 1945.

[2] Dorothy M. Pickles, *France between the Republics* (London, 1946), gives a concise, informed and sensible, though often simplified, picture of the French background of 1940-1945.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

I

In times of crisis in the history of modern Europe, when legality and the normal ordering of things have been interrupted, the developments of the provisional period have tended to shape the new society far more than has the constitution-making which followed. These developments have usually determined whether the new régime would live largely within inherited social and administrative forms; whether it would embody fundamental shifts in power and in the governing élite; or whether it would start life with its basic conflicts still unresolved. The collapse of the Vichy-German authority in August 1944 created in France one of these moments of historic crisis, leaving political power, so to speak, "on the loose". While the transition that followed took place in a general climate of reaction against Vichy, the specific course of events hinged on the men and organizations that came forward to take over this power—the two related political hierarchies that carried out the transition.

The first of these was the Gaullist régime in Algiers. In the three years between its founding in London and its transfer to North Africa, the De Gaulle movement had a highly colored history. The kind of leader who almost alone bucks the tide at a moment of crisis does not tend to be given to easy reasonableness or compromise; and such a movement in its early stages almost inevitably draws to it a motley crew. By the time De Gaulle came to North Africa, however, to form the French Committee of National Liberation with General Giraud in June 1943, he had rallied major parts of the French Empire, had gained the support of representative political figures, and, most important, was generally acknowledged as the symbol and leader of French resistance.

The year from then until D-Day saw the evolution of a personal movement and a precarious joint committee, into a reasonably rounded governmental instrument, gradually developing the kind of organization and competence that modern governments require. In the process, the Gaullists progressively eliminated Giraud and the Giraudists and brought into the government representatives of the resistance and the major parties, including the Communists, who entered in April 1944. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Gaullists also created an institution unique among the western governments-in-exile, the Consultative Assembly. It was partially in consultation with this body and with the resistance in France that the government selected the men and shaped its plans for the transition over which it was to preside as the Provisional Government of the French Republic.

The second political structure that jointly carried out the transition was the resistance hierarchy in France. Starting from diverse origins in 1940 and 1941, particularly among workers and intellectuals, local resistance nuclei gradually grouped themselves in 1942 into larger regional organizations. As their numbers increased, the resistance movements reached the national level of organization in May 1943, with the formation of the C.N.R. (*Conseil National de la Résistance*). This body brought together leaders of six political parties, the trade unions and the principal resistance movements in both zones. In liaison with Algiers, the C.N.R. then organized two elaborate and loosely centralized structures: a military hierarchy of the F.F.I. (*Forces Françaises de l'Intérieur*), national regional, departmental and local, in contact with Algiers and Allied Headquarters; and a political hierarchy whose departmental and local liberation committees were, in theory, constituted in the image of the C.N.R. Needless to say, parts of this structure were shadowy indeed, and wide local variations prevailed.

On the eve of liberation there thus existed two related political organizations ready to take over: that in France overwhelmingly weighted to the left and mobilized not only for liberation but for the remaking of France along variants of the plan adopted as the C.N.R. program of March 1944; that in Algiers predominantly conservative, despite its coalition character, but headed by the man whose claim to leadership was to be unchallenged during the transition era.

II

The diplomatic storms between De Gaulle and the Allies, never more acute than around D-Day, were in notable contrast to the relative smoothness of the internal political succession that began with the arrival in Normandy of M. Coulet, the first of the regional commissioners. With the sweep of Allied armies

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

across France in August 1944, and the rising of the resistance, Vichy simply vanished as a government. Pétain was taken to Germany on August 20. Five days later occurred the dramatic meeting at the Paris Hôtel de Ville where De Gaulle was received by the C.N.R. and the Paris Liberation Committee on the evening of August 25—a meeting that symbolized the formal union of resistance at home and abroad and the passage of France from Vichy to the Provisional Republic. After greeting the people of Paris in a triumphal march down the Champs Elysées on August 26, De Gaulle promptly entered upon the practical business of assuring his control of affairs. On Sunday, August 27, he met with the fifteen Secretaries General who, pending the arrival of the government, had taken over the provisional direction of the ministries (in line with the Algiers ordinance of May 19, 1944). In the next few days he and the growing number of arrivals from Algiers met with leaders of the political parties, the resistance movements, and the C.G.T. (*Confédération Générale du Travail*). Although De Gaulle's intentions remained little known, these conversations proceeded well enough to allow the announcement of a new government on September 9. Nine new men from inside France were brought into the government, including top men from the resistance, like Bidault and Parodi, and Jules Jeanneney, last President of the Senate, as an assurance of Republican legality.[3] In numbers and in control, however, Algiers and De Gaulle still predominated.

The remarkable smoothness of this first transition in many respects offered an illustration of Trotsky's concept of the "dual power", wherein an alternative political mechanism arises parallel to the official system, and ripe to assume the functions of the state. From Thucydides to Trotsky, however, students of political crises have noted that the initial transfer of power is usually only the first of a series of shock waves in which political control passes to more extreme and disciplined minorities.

Yet France did not follow this pattern. Two "external"

[3] The most convenient factual reference for this whole period is *L'Année Politique, Revue chronologique des principaux faits politiques, économiques et sociaux de la France, de la Libération de Paris au 31 décembre 1945* (Paris, 1946).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

factors virtually precluded any revolutionary cycle: first, the presence of Anglo-American armies stretched across France in gigantic force; and, second, the fact that the Soviet Union and the French Communist Party did not want to precipitate any such crisis within the war alliance. But these two "external" factors do not explain why the liberation remained so *eminently* moderate, why the Gaullists were able to retain full control for the period here under review (1944-1945), why the purge and economic and social programs of liberation stopped short of the demands of even the milder Leftists; why, in short, a Left resistance movement that stood forth with leadership, program, military formations, local committees of public safety, habits of action, myths and martyrs, and the exaltation of heroism and victory should have accomplished so small a part of its post-war objectives. However the situation may look in retrospect, this head of steam caused great concern in 1944 to the moderates who were running the transition, to various Allied authorities, and to great numbers of Frenchmen. Fearful of communes or civil strife, or the passage of power to the left, the Gaullists had taken extensive precautions: De Gaulle's and Leclerc's presence in France; the careful selection of reliable men for key jobs—the regional commissioners, Parodi as interim Secretary General of the Interior, Luizet as Prefect of Police; men like Gazier, flown to Paris in the first planes to establish immediate liaison with the C.G.T. and other important organizations; the replacement of the mercurial D'Astier as minister of the interior by Tixier, a strong right-wing Socialist and Gaullist; the immediate control of press and radio.

Whatever the importance of these steps for the first few weeks, over the longer run the moderateness of the transition must be explained by larger considerations. Although these general "internal" factors are implicit throughout this paper, it may be useful to bring the most significant of them explicitly into focus at this point:

(1) The nature of the resistance — first, its minority position taken as a whole, and the minority position *within* the resistance of those political activists who really intended to use the movement as an instrument to remake France;

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and, second, its deep divisions, rooted in the differing composition and orientation of the several groups and coalitions, divisions which came sharply to the fore after the ousting of the common German enemy.

(2) The absence of any effective alternative organization prepared to overthrow the Gaullist régime and assume its functions, as long as the Communist Party eschewed the revolutionary rôle. At each minor crisis the C.N.R. showed that it was not really ready to attempt this part. It had already been partially, though tenuously, linked with the government before De Gaulle left Algiers; and its non-Communist majority was reluctant to upset the Gaullist frame of authority, still hopeful that their objectives could be obtained within it, and fearful lest such an overthrow redound primarily to the benefit of the Communists.

(3) The fact that the alternative of a direct return to the *status quo ante*, a simple resurrection of the Third Republic, was unacceptable to the overwhelming majority of Frenchmen.[4]

(4) The factors of stability inherent in the "objective situation"— the requirements of the war, the government's control of the means of communication and most transport, the persistence of a heavy bureaucratic structure, the alignment of the peasants with the forces of order, and the intangibles of weariness, cold and the proportion of men's energies that had to go into meeting the minimal daily needs of life.

(5) The confusion thrown into the "logical" balance of forces by the figure of De Gaulle. It was no accident that the General's picture appeared alike in resistance headquarters throughout France, and on the walls of conservative farmers hung side by side with that of Pétain. If we see the social groups, that respectively went along with Vichy or turned to the resistance, as reflecting the historic division in France between those who had accepted the Revolution and the modern world, and those who had not,

[4] In the Referendum of October 21, 1945, 96.4 per cent were to vote in favor of making the new National Assembly "constituent".

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> De Gaulle saw himself after liberation as the protector of them all—all but a handful of actual traitors. Thus, the old ruling classes, at the time they themselves were looking for cover, found in De Gaulle an ally—a difficult, independent and adventurous ally, but withal an ally—who not only was in the saddle of power, but who could ride the strongest emotional surge in liberation politics, that of resistance vs. collaboration. For when De Gaulle restrained the resistance or clamped down on the F.F.I., who could deny that he had been "*le premier résistant*"?

In the year that followed, as the unity front broke down, virtually all the major issues within France, as well as the jockeying over power and programs, were fought out in this pattern: on the one hand, De Gaulle and the government he dominated, claiming the rôle of national trustees for all French interests; and, on the other, the resistance and a resurgent Left, claiming to speak for those Frenchmen who alone had the right to be heard.

III

This pattern is strikingly clear in the working out of each of the three principal groups of internal issues that were at the forefront of things in the reëstablishment of the Republic: (1) the future of the resistance organizations, (2) the social and economic problems of recovery and reform, and (3) the steps to the restoration of a constitutional Republic.

The first of these major issues centered, in the fall of 1944, on whether the resistance should retain any of the administrative and military organs with which it had emerged. The basic Algiers ordinance of April 21, 1944 had provided for the official administrative succession at various levels. This was soon outdated, however, by the speed of the Allied advance; and in many parts of France, ignorance, accident or the dynamics of resistance produced local situations in which patriot leaders supported by elements of the F.F.I. stood firm as the de facto local authority, paying nominal allegiance to Paris, but reluctant to yield their powers to officials whom they considered, at best, unheroic. Their para-military supporters contained men no more anxious

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to give up a world of excitement and power for routine civilian lives, especially as long as unpurged collaborators and pockets of Germans could justify their existence. This led to widespread abuses of arrest and requisitioning, to defiance of authority, and to fears and rumors sometimes suggestive of the *grand peur* of July 1789.

The government had foreseen such local assumptions of power. It had given its representatives, especially the regional commissioners, wide latitude in the initial stages to arrive at adjustments with the local resistance — a part of the *Système D* (*débrouiller*) that prevailed in 1944. But when, well after liberation, the autonomous exercise of power continued—when the character of the resistance began to change as its conservative and moderate minority tended to fall away, while the Left continued to recruit and strengthen its corps; when representatives of forty departmental liberation committees met at Avignon (October 8-9) to plan the elaboration of their existing structure; when the para-military organizations appeared to be increasingly dominated by the Communists — De Gaulle's policy stiffened. He made trips to all parts of France, calling for unity, order and the Marseillaise, climaxed by two ringing speeches in October. Authority, justice and force, he asserted, belonged to the state, and the state alone, and " infringements " or " improvisations of authority ", however justified in the fight against the enemy, would " henceforth be only an inadmissible abuse and source of confusion." " *La charge de gouverner incombe au gouvernement.*" [5]

The doctrine thus enunciated, the F.F.I. was promptly incorporated into the War Ministry (October 17), though given a separate *Direction* therein as a concession to F.F.I. demands. Two weeks later the government abruptly dissolved the *Gardes* or *Milices Patriotiques* (a town and factory resistance militia that had multiplied since D-Day). This produced a moment of acute tension with resistance opinion, but one that the C.N.R. moderates successfully bridged; the Communist Party alone finally dissociated itself from " this disarming of the people." [6]

[5] Speech of October 14, 1944.

[6] *Cf. L'Année Politique*, pp. 45-49, and more extended accounts in the party press.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Parallel to this suppression of independent military formations, De Gaulle acted to channelize the governmental activities of the resistance into the official local assemblies. On the national level, this meant incorporating the resistance leadership into a new and enlarged Consultative Assembly. After several weeks of negotiations among the Council of Ministers, the acceptable *Parlementaires* and the resistance, the government announced that the expanded Assembly would meet November 7, with a total membership of 248, of whom 148 were to represent the metropolitan resistance. Included in this number was the entire C.N.R., whose independent status the government thereby hoped to undercut. Another important step came in December when the key political units of the resistance hierarchy, the departmental liberation committees, meeting in Paris, reluctantly accepted resolutions guiding them more into line with the " legal " structure.

At the end of 1944 the situation was further eased by the revision of the official position of the Communist Party, following the return of Maurice Thorez from Moscow (November 27) and the Franco-Soviet pact of December 1944. At the January 1945 meeting of the Communist Central Committee at Ivry, Thorez specifically endorsed the government's action on the dissolution of the *Gardes Patriotiques* and on the subordination of the local and departmental liberation committees.[7]

Thus by early 1945 the central issue of the establishment of the government's primary authority throughout France was largely resolved. The men and organizations of resistance—local and national, military and civil—had generally been incorporated within the official structure, or assigned supporting rôles, or dispersed. Anachronisms continued, but with dwindling political reality. The most spectacular—the Communist-inspired meeting of the *États Généraux de la Renaissance Française* in July 1945—failed to fan to life the fading flames of resistance unity. As late as November 1945, the C.N.R. might vote to continue its separate existence, but it had already settled back into place in the crowded iconography of Republican France.

[7] *L'Humanité*, January 23-24, 1945.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

All this was not accomplished without bitterness, much of which focused on the handling of the purge. From the beginning the men of Algiers had recognized—as had Danton—that an ordered purge was essential not only to execute justice but to avert uncontrolled violence. Once in France, De Gaulle interpreted this policy with extreme restraint, arguing France's need of " all her sons ". Comparison with the actual executions of the Reign of Terror, estimated at around 17,000, or with the 15,000 odd Communards killed in Paris in May 1871,[8] brings out the relative moderation of the balance sheet of the official *épuration*. (This of course does not include a scattered amount of crossroads justice.) Of the cases completed a year after liberation (September 30, 1945), 2,366 had been condemned to death, about 900 to forced labor for life, about 6,000 to forced labor for specified periods, about 1,200 to solitary confinement, about 12,000 to imprisonment, and about 25,000 penalized with national unworthiness in the Civic Courts.[9]

For the men of the resistance—for whom *l'épuration* had an emotional intensity matched by no other issue—the pace was too slow, the process too uneven, and the escape of the " real " collaborators too frequent. The purge, with which they had hoped to renovate the *cadres* and make way for a new France, petered out in cynicism and public weariness, as much a victim of those who tried to exploit it as of those who opposed it.[10] This was a major contributing factor to France's loss, through frustration and dispersion, of a wave of energy and idealism that had arisen in the maquis, and of which France had great need.

IV

The second major set of problems dominating France's internal affairs was social and economic, both immediate and structural. These form a separate and extensive subject.[11] We

[8] *Cf.* Donald Greer, *The Incidence of the Terror during the French Revolution*, Harvard Historical Monographs, VIII (Cambridge, 1935), pp. 26-37.

[9] *L'Année Politique*, p. 322. While not final, these figures suggest the order of magnitude.

[10] This last phrase is taken from Georges Bernanos, Pickles, *op. cit.*, p. 195.

[11] See David H. Pinkney, " Nationalization of Key Industries and Credit in France after the Liberation ", *infra*, p. 368.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

can here only note that the issues and alignments were again worked out within the same fundamental frame: on the one side resistance and the Left, calling for a broad assault on the upper bourgeoisie's control of the levers of economic and administrative power; and, on the other, De Gaulle and those directing the government's economic policies—notably Pleven—proceeding with caution and classicism, seeking the confidence of capital, and taking the position that the government, as trustee for the nation, must postpone structural changes until after national elections. Once again, while his own program was more advanced than the French Right would have wished, De Gaulle represented in the first months of liberation the only effective opposition that the Left could not override.

Finally the third group of central internal problems—the steps leading directly to the reëstablishment of the Republic—showed the same general polarization of forces, though here, as in the relations of government and resistance, the split within the Left became as significant as that between the Left and De Gaulle.

The Algiers ordinance of June 26, 1944 had set the pace in its opening lines: "The form of government of France is and remains the Republic. In law the Republic has not ceased to exist." While the undoing of Vichy (particularly its economic legacy) was an infinitely more complex task, the way was thus open for the reëmergence both of the official machinery of elections, representative bodies, courts, and so on, and of the host of public and private institutions and associations which have become a part of the functioning of modern democratic states. These rapidly reappeared, with the government's blessing, but each—particularly the liberation press, and the resurgent, Communist-dominated C.G.T.—provided fresh issues between the government and the Left.

The field of party politics was marked by a similar return to republican forms. In the first blush of liberation much eloquence went into visions of the resistance replacing the parties, or forming a single new party of new men for a new France. But as old class issues came to the fore, and as the traditional

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

parties again became active, the resistance movements tended to break apart, to gravitate toward the parties and be absorbed. Torn by the division between De Gaulle and the Left, and between the Socialists and the Communists, the resistance movement in politics was reduced to colorful fringes attached to the major parties by the summer of 1945, following the final split of the M.L.N. (*Mouvement de Libération Nationale*) in June 1945. The resistance had, however, brought new men and energies, and at least an ephemeral sense of national urgency into the politics of liberation.

Meanwhile the parties themselves hurried to rebuild their organizations for the coming elections. While the Radical Socialists, the dominant party of the Third Republic, insulated by their own oratory, were marching to their demise under the banner of 1875 and the two Edouards, the parties that were to emerge as the big three were busily reorganizing: the Communists (*le parti des fusillés*) proliferating their front organizations, the Socialists purging and reconstituting their *cadres*, and the M.R.P. (*Mouvement Républican Populaire*) in large part building anew.

With the machinery of the Republic thus being rapidly restored, and the relations of the government and the Consultative Assembly steadily deteriorating, the need for regularly elected representative bodies was paramount. At each level the government carried through these elections at about the earliest practical date — the municipals in April and May 1945, the cantonals in September (delayed for the prisoners' and deportees' return), the National Constituent Assembly in October 1945. The provisions for the last, and particularly for the definition of relations between the executive and the new Constituent Assembly, produced the most serious political collision to date, and one that foreshadowed things to come: the clash of De Gaulle, backed by the M.R.P., with a Left opposition led by the Communists. Although the Socialists once again produced a compromise solution, indignation still ran high as France on October 21, 1945 went to the polls in the first of a series of national elections and referendums.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

V

Electoral results and party strengths—the marked shift to the left, the regrouping of political affiliations about three major parties, the power of the Communists in post-war France—these cannot here be analyzed. We may, however, use the election as a measure of what had taken place in the past year: the transition from Vichy to the Provisional Government; the establishment of the Algiers régime and absorption of the resistance in the regular channels of French public life; [12] the restoration of a free, contractual, secular society, with its basic rights and liberties, though with an increased residue of corporate characteristics; and, finally, the return to government emanating from the people. Despite all the fears, there had been no Commune, no seizure of power by the resistance, no Gaullist dictatorship, no postponement of elections. Republican legitimacy had prevailed.

The October 1945 vote had in it, however, a dichotomy that shaped events to follow. It had endorsed *both* the contending forces. It had given the Left an overwhelming victory; and yet in the questions of the referendum—which the parties had turned into a plebiscite, even if none had been originally intended — De Gaulle had received an impressive vote of confidence.[13] Thus both sides emerged more resolute than before. They promptly collided head-on over the formation of a government in November, when De Gaulle refused to accept the Communist demand for one of the three key ministries.

Convinced—alike by his own preference for authority, by his concern with France's rôle in the world, and by his fears of another 1940—that France needed a strong executive in the hands of men whose priority of loyalties was beyond question,

[12] Reflected by the presence in the Constituent Assembly of 75 members whose only previous experience in national affairs was in the Consultative Assembly, and of approximately 200 members totally new to politics. Raoul Husson, *Elections et Referendums des 21 Octobre 1945, 5 Mai et 2 Juin 1946* (Paris, 1946), pp. xxviii *et seq.*

[13] Approximately 96 and 66 per cent of the vote respectively on the first and second questions endorsed De Gaulle's proposals. *Ibid.*, p. 260.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

De Gaulle took to the radio against the largest party in France.[14] In so doing he stepped overtly from symbolic leadership of the whole nation to that of the anti-Communist groups, bringing to the surface the most fundamental cleavage in post-war France. He thus set in motion the wheels for his own departure (January 1946), as the pivotal Socialists were forced to choose between De Gaulle and the semblance of unity for the Left.

Government thus returned to the parties and to a popularly elected National Constituent Assembly. The leader of Fighting France, cast for heroic times of moral crisis and feeling himself attuned to France over a thousand years, was not suited to the corridors of the Palais Bourbon. Lesser and more flexible men, tuned to humbler frequencies, were called for. The hour had come when, in another time, this partially thirteenth-century figure would have been able to quit the stage by going off to the Crusades, with a Joinville to chronicle how he plunged the Cross of Lorraine into the belly of the infidel. But it was De Gaulle's dilemma that *his* infidel, while also having ties in the East, was born in the Pas de Calais and worked in St. Etienne and the Correze and the bakeries of Marseilles—and had received five million votes.

JOHN E. SAWYER

HARVARD UNIVERSITY

[14] November 17, 1945. *L'Année Politique* gives a relatively detailed review of this crisis, pp. 342-55.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NATIONALIZATION OF KEY INDUSTRIES AND CREDIT IN FRANCE AFTER THE LIBERATION *

DURING its five months' existence from November 1945 to April 1946 the first elected national assembly in post-war France voted the nationalization of the Bank of France and four large deposit banks, public utilities, coal mines, and two thirds of the leading insurance companies. This major assault on private enterprise was a partial fulfillment of the demands of the resistance movement, formulated during the German occupation and subsequently adopted by the principal political parties, for a sweeping program of "structural reforms" in the national economy including the nationalization of "key industries and credit". It was an outgrowth of two deeply rooted trends in French history: first, the intervention of the national government in industry to support private enterprise, and, second, the growing demands for socialization of the economy, of which the resistance program was only a recent expression.

Origins of the Demands for Nationalization

France has a long record of government intervention in industry. The extension of financial assistance to companies engaged in essential activities is an old established practice of French national economics and has frequently led to a measure of state control and ownership. Many important industries, moreover, have long been owned outright by the national government. In the manufacture of gunpowder, of tobacco products, and of matches there have been government monopolies for fifty to one hundred and fifty and more years. Nationalization of railways had eloquent advocates under the July Monarchy, when the first national railway policy was being determined; and since 1908 the state has owned at least an

* This article was prepared as a paper read before a meeting of the American Historical Association in New York, December 27, 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

important part of the railway system. After the First World War the state established and operated shipping companies on the Rhine and the Danube, and it owned and operated the potash mines of Alsace. None of these instances of national ownership, however, was part of a coherent body of socialist reforms aimed at the ultimate public ownership of all or a large and controlling sector of the economy.

The idea of socialization of the economy was first given wide currency and organized support in France by the Socialist Party, which from its inception demanded public ownership of basic industries and banks. The first detailed proposals for "nationalization" applicable to a broad sector of the economy came, however, from the General Confederation of Labor. In 1919 the Confederation organized the Labor Economic Council and instructed it to study "the practical basis of a new social organization which will ensure the normal fabrication of all that is essential to the life of society and its logical distribution in all sections of the community, according to the rules of equity and good sense." [1] Stimulated to quick action by the strike in 1920 of the railway workers, who demanded the nationalization of the railways, the Council produced a concrete program of nationalization which is published under the title, *La Nationalisation industrialisée*. Although prepared immediately for the reorganization of the railways, the plan was regarded as being applicable to a wide range of industries. The basic provisions of the plan included national ownership and autonomous and democratic direction by a board of directors composed of representatives of the state, the personnel and the consumers.

In the succeeding years, as the General Confederation of Labor declining in membership and influence, it was the Socialist Party which became the champion of "industrialized nationalization". The Socialist program in the 1920's and the early 1930's called for the reorganization of public utilities and a number of other industries on the lines proposed by the Labor Economic Council. In 1927 the Radical Socialist Party endorsed the program of the General Confederation of Labor but declined even to at-

[1] David J. Saposs, *The Labor Movement in Post-War France* (New York, 1931), p. 83, quoting *La Nationalisation industrialisée*.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tempt its application when the opportunity arose following the general election of 1932.

In 1936, nationalization figured in the program of the Popular Front. The Radicals, Socialists, Communists and organized labor, united in that electoral coalition, advocated the nationalization of the armament industries and a reorganization, possibly by nationalization, of the Bank of France. The reforms, however, were not proposed nor subsequently defended as steps toward socialization, but as remedies of specific abuses. The nationalization of armament plants was a response to popular indignation against the " merchants of death " and an effort to assure a more efficient and better coördinated production of armaments at a time when a resurgent Germany was threatening French security. The reform of the Bank of France was intended to protect the government's freedom of decision in times of financial crisis against the pressure of private banking interests working through their control of the central bank. The Blum government considered the nationalization of the Bank, but anticipated opposition caused it to drop the project and substitute a less drastic measure bringing the Bank under government control without altering the ownership. The Popular Front's partial nationalization of the railways in 1937, by which the state became the controlling owner of the principal railway lines merged into a single system, was primarily a financial measure. It was accomplished under the decree powers granted the Chautemps government in the financial crisis of 1937, and its primary purpose was to relieve the national budget of the burden of the huge railway deficit.

As the threat of war came increasingly to dominate the political scene and to demand, or at least to justify, the restriction of economic and political reforms, the nationalization issue was shelved. Only after the defeat of 1940 and under the German occupation was it revived by the resistance organizations as part of the comprehensive program of reforms by which they hoped to shape the post-war structure of France.

The Demands of the Resistance and the Parties

The demands of the metropolitan resistance were formally stated in the " Charter of Resistance ", issued by the National

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Council of Resistance in March 1944. It called for "the return to the nation of the great means of production, of monopolies which are the fruit of common labor, of the sources of energy and mineral wealth, of the insurance companies and big banks...."[2] These broad terms obviously left much room for interpretation, and during the occupation they never had a commonly accepted meaning. There was not even general agreement on what industries or what particular companies should be nationalized. One representative list, adopted by the Consultative Assembly in Algiers, in July 1944, included the production and transmission of electricity, mining, rail and air transport, the heavy metal and chemical industries, banks, and insurance companies.

Following the liberation of France nationalization became a major issue in French politics. It was debated in the press, in the Consultative Assembly, and in the resistance congresses, and each of the revived political parties was obliged to take a stand on the question. For a year and a half after the liberation the discussion scarcely abated, and in those discussions the demands became better defined and the positions of the parties clarified.

The principal parties and the resistance groups were agreed on the desirability of nationalization in principle, justifying their demands on both economic and political grounds. In the first place, national ownership and direction of "key industries and credit" were regarded as essential to the economic recovery and prosperity of France. The task of reviving and modernizing French industry was tremendous. The repair of damage resulting from the war and the replacement of equipment grown obsolete through decades of inadequate capital investment were estimated in the spring of 1946 to require an investment of some 1,200 billion pre-war (1938) francs.[3] Private enterprise, it was felt, lacked the means, the will and the resourcefulness to undertake and fulfill this heavy task. The national interest required that the state assume directly at least a large part of the responsibility. Secondly, the demands were politically justified on the grounds that the financial and industrial oligarchy which dominated French economic life in the

[2] *Free France* (New York), V, 439 (June 15, 1944).

[3] *Le Monde* (Paris), April 6, 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pre-war years had in the past encroached upon the sovereignty of the state; public ownership of the key sectors of the economy, it was maintained, would protect the state against this threat to its authority. A third motivation of the demand was the desire to stimulate the efforts of labor in the basic industries; after the liberation many workers, notably in the northern coal fields, were reluctant to exert their maximum efforts for private owners discredited by wartime failures and by collaboration with the Germans.

The area of agreement among the parties and the resistance groups extended to the organization of nationalized companies and to the indemnification of owners. Agreement on the organization of the companies was a reflection of the general apprehension that nationalization might lead, as its critics claimed, to the stifling of individual initiative and responsibility. To forestall this eventuality it was proposed that the companies be organized as autonomous enterprises, operating on their own budgets and meeting all their own costs of operation independently of the national budget, and that the state's rôle be restricted to the appointment of directors and general supervision.

A " fair indemnification ", it was agreed, should be paid to the dispossessed owners, but the term was subject to a variety of interpretations. The Communists, although nominally agreeing that there should be no spoliation, advocated that a distinction be made between " honest " stockholders, who should be paid in full, and those who had " betrayed the nation ", whose holdings should be confiscated. The Socialists proposed, without pressing for its adoption, a discrimination against large stockholders as such. The M.R.P. (*Mouvement Républicain Populaire*) and the more conservative groups, on the other hand, insisted that there be no discrimination whatsoever against any stockholders and that all be compensated generously.

On the fundamental question of what to nationalize there was still no common opinion. There was agreement neither on the criteria by which an industry was to be judged ready for nationalization nor on the specific industries to be nationalized. The program which had the widest acceptance was that drawn up by the *Délégation des Gauches* in October 1945. The *Délégation* included representatives of the Communist, Socialist

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and Radical Socialist parties and of the General Confederation of Labor, and its recommendations were formally endorsed by the M.R.P. Its program called for the nationalization of large deposit and investment banks; insurance companies; the production, transmission and distribution of electricity and gas; iron mines and the iron and steel industry; the merchant marine; and the light metal, cement and certain chemical industries. In practice no individual party pressed for such a broad program. The Communists and Socialists advocated the nationalization of somewhat fewer activities, and the M.R.P. by its primary insistence on the preservation of private initiative and personal responsibility made clear its reluctance to extend nationalization beyond a much more narrowly limited area.

Accomplishments of the Provisional Governments

Before the liberation, General de Gaulle, dependent on the resistance groups for organized support within France, endorsed the nationalization demands and pledged their fulfillment. Following the establishment of the Provisional Government in Paris, however, De Gaulle took the position that such important reforms, involving the arbitrary transfer of property, could not be undertaken by a nonelected government. He rejected the resistance's contention that its demands were a national mandate since it represented those Frenchmen who *deserved* to be heard. Assuming the rôle of trustee for *all* Frenchmen he insisted that the nationalizations be postponed until an elected assembly could pass upon them. The resistance groups and the parties of the left, at loggerheads with De Gaulle over other of their demands, complained that "a revolution postponed is a revolution miscarried" and accused De Gaulle of discarding the whole resistance program. The General, while reiterating his support of certain important nationalizations, held to his position.

The Provisional Government did, however, accomplish by executive action four significant nationalizations. One was provisional, two were restricted to a single company each, and all could be justified as expedient solutions of certain immediately pressing problems on which action could not be postponed.

The creation in December 1944 of a public corporation, the *Houillères nationales du Nord et du Pas-de-Calais*, to operate

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the mines of the northeastern coal fields was a provisional measure motivated largely by the immediate need of reviving the production of coal.[4] The two succeeding nationalizations affected only single companies. The *Régie nationale des Usines Renault* was created in January 1945 to hold and operate the plants of France's leading automobile company.[5] They had been confiscated when the owner, Louis Renault, accused of intelligence with the enemy, died in prison in the autumn of 1944. The *Société anonyme des Moteurs Gnome-Rhone*, the largest French producer of aircraft engines, was acquired by the state in May 1945 and reorganized as a public corporation in which the state holds at least two thirds of the stock.[6] This action was justified by the government both as a punitive measure against the former collaborationist directors and as a step in the revival and development of France's aeronautical industry. In the summer of 1945 the state took over the stock of the civil airlines and subsequently merged them into a single company, *Air-France*.[7] Being a permanent measure, determining the ownership of an entire industry, this reform was apparently contrary to De Gaulle's policy. The amount of property transferred was, however, relatively small compared with that involved in the major nationalizations which De Gaulle was blocking.

Following the election of the Constituent Assembly in October 1945 and the formation of a responsible government, President De Gaulle ordered submitted to the Assembly projects for the nationalization of credit and of the gas and electricity industries. The first project, providing for the nationalization of the Bank of France and the four largest deposit banks (*Crédit lyonnaise*, *Société générale pour favoriser la Dévéloppement du Commerce et de l'Industrie en France*, *Comptoir national d'Escompte*, and *Banque nationale pour le Commerce et*

[4] Ordinance of December 13, 1944, *Journal Officiel de la République française* [hereafter cited as *J. O.*]: *ordonnances et décrets*, 76e Année, pp. 1876-1879 (December 14, 1944).

[5] Ordinance of January 16, 1945, *ibid.*, 77e Année, pp. 222-224 (January 17, 1945).

[6] Ordinance of May 29, 1945, *ibid.*, p. 3082 (May 30, 1945).

[7] Ordinance of June 26, 1945, *ibid.*, pp. 3890-3891 (June 27, 1945).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

l'Industrie) and for state control of the whole banking system, was adopted with only minor changes after a single day in committee and a single day's debate in the Assembly.[8] The vote in favor of the bill was overwhelming: 517 to 35. No member of the three big parties cast an opposing vote, although a few M.R.P. deputies abstained, and the opposition could rally only a handful of die-hard Rightists.

The proposal to nationalize the gas and electricity industries ran into persistent opposition. It was delayed in the cabinet for nearly six weeks by the objections of the M.R.P. to the provisions for the indemnification of stockholders, and it came out of the cabinet only to be delayed for two months by disagreements in the Assembly's Committee of National Equipment. Under President Gouin's personal leadership a compromise measure was devised and submitted to the Assembly in March 1946. More than 100 amendments were proposed, 77 of them by the M.R.P., which was chiefly interested in restricting the area of nationalization and in obtaining more generous indemnification of stockholders. In the real tests, however, the opposition could not muster more than 62 votes, and the Committee's project was finally adopted without substantial change by a vote of 490 to 60.[9]

When Félix Gouin replaced De Gaulle in January 1946 as President of the Provisional Government he announced that his ministry would ask the Assembly to nationalize, in addition to the gas and electricity industries, the largest insurance companies and investment banks and the mining industries, and to nationalize in part the merchant marine and inland waterway transportation. The government then prepared and submitted to the Assembly projects for the nationalization of thirty-two leading insurance companies, all coal mines, the two largest investment banks (*Banque de Paris et des Pays-Bas* and *Banque de l'Union parisienne*), and the Bank of Algeria. In April the Assembly was held in session for an extra week to vote on the proposed measures. It adopted the laws on insurance com-

[8] Law of December 2, 1945, *J. O.: lois et décrets*, 77e Année, pp. 8001-8004 (December 3, 1945), modified by the Law of April 8, 1946 and the Law of May 17, 1946, *ibid.*, 78e Année, p. 2951 (April 9, 1946), pp. 4271-4272 (May 18, 1946).

[9] Law of April 8, 1946, *J. O.: lois*, 78e Année, pp. 2951-2957 (April 9, 1946).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

panies [10] and on the Bank of Algeria [11] by large majorities, the opposition vote again being cast by a block of some 60 Rightists. The law on the nationalization of the coal mines was rushed through the Assembly in the last two hours before its final adjournment and was adopted substantially unaltered by a simple show of hands.[12] The law superseded the ordinance of December 1944 which had created the *Houillères nationales du Nord et du Pas-de-Calais*; the mines of the northeastern coal field together with all other coal mines now became the property of the state. Committee hearings on the project on investment banks were not completed before the adjournment, and that bill never came before the Assembly.[13]

The four principal nationalization measures adopted by the Constituent Assembly (on banks, public utilities, insurance companies and coal mines) were, in contrast to earlier nationalizations, permanent " structural reforms " affecting all or large and controlling portions of major industries. They were " nationalizations of key industries " demanded by the resistance.

The laws, although varying in detail, conform to a general pattern. In each case the property of the nationalized companies is transferred in its entirety to the state or its agencies. In the cases of the banks and the insurance companies only those concerns specifically listed in the texts of the laws are nationalized, and, while the state becomes the sole stockholder, they retain their former identity and continue to engage in business in competition with private companies. Neither the law on banks nor the law on insurance companies prescribes any amalgamation among the nationalized concerns; but the authors of the latter law intended that the insurance business be Nationalized, and mergers are possible within the framework of the law.

[10] Law of April 25, 1946, *J. O.: lois*, 78e Année, pp. 3566-3570 (April 30, 1946).

[11] Law of March 17, 1946, *ibid.*, p. 4271 (May 18, 1946).

[12] Law of May 17, 1946, *ibid.*, pp. 4272-4276 (May 18, 1946).

[13] The first Constituent Assembly adopted one additional nationalization law, the Law of May 11, 1946 (*J. O.: lois*, 78e Année, pp. 4095-4099 [May 12, 1946]), creating the *Société nationale des Entreprises de Press* and transferring to it the property and assets of certain publishing and news companies. This was a temporary expedient designed to provide for the provisional ownership and direction of collaborationist companies seized by the state. The new public corporation created by the law was eventually to dispose of the property placed in its charge to private publishing concerns.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In the cases of public utilities and the coal mines the entire industries are taken over and reorganized under new, nation-wide public corporations. The corporations *Electricité de France* and *Gaz de France* replace the former private companies in electricity and gas industries and are charged with directing all the operations of production, transmission and distribution of electricity and gas in France. Each of the corporations has a central administration (*Service national*) and regional operating companies. The coal mines are similarly organized. All the mines are directed by a single public corporation, the *Charbonnages de France*. In each coal basin a subsidiary company, *Houillères de Bassin* . . . , manages the actual operations of production and sale under the direction of the *Charbonnages de France*.

The organization of all the companies follows the pattern recommended by the Labor Economic Council of the General Confederation of Labor in 1920. They are organized as autonomous, financially independent enterprises, and at the head of each is a tripartite board of directors composed of equal numbers of representatives of the state, the consumers and the employees.[14] The manner of selecting the directors varies from company to company. In general, they are formally appointed by the cabinet or by a cabinet minister; the government representatives are actually selected by the interested ministers, the consumer representatives by recognized consumer organizations, and the employee representatives by the labor-union organizations of the principal categories of employees. The presidents or general managers of the companies are elected by the boards; the government must, however, approve the selections. The functions of the boards and of the presidents are similar to those of their counterparts in private corporations; but in certain cases their decisions are subject to review and approval by specified higher authorities. A *Chambre des Comptes*, established by the laws nationalizing the coal mines and the public utilities, is empowered to examine annually the records of each

[14] There is a slight variation from the general pattern in the boards of the insurance companies and of the regional gas and electricity companies. The former include three technical experts appointed by the National Council of Insurance in addition to three representatives from each of the three basic groups. On the boards of the regional gas and electricity companies there are four representatives of the state, eight of consumers, and six of employees.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of the national and regional mining and utility companies and to issue a report on each company's management and financial condition. If a company is shown to have operated at a financial loss, its directors are automatically removed unless specifically confirmed in their positions by the proper superior authority specified by law. The Banking Control Committee, created by the law nationalizing banks, and the National Council of Insurance, created by the law nationalizing insurance companies, exercise the power of review and approval of the actions of the directors formerly exercised by the annual meetings of stockholders. The government also retains the authority to direct the acquisition of new capital by the nationalized gas, electricity and coal companies.

The dispossessed owners are paid an indemnification for their property, and there is no discrimination against any particular group of owners. The amount of the indemnification is based on the market quotations of the companies' stocks in specified periods during 1944 and 1945 or on the evaluations made by special commissions, based on the market value of the companies' assets.[15] The indemnification is paid in government securities or in the bonds of the public corporations created by the nationalization laws. The stockholders of the Bank of France have been paid in bonds designated as *Obligations de la Banque de France* paying 3 per cent interest. The stockholders of gas and electricity companies are to be indemnified in bonds of the *Caisse nationale d'Equipement de l'Electricité et du Gaz* and those of the coal mines in bonds of the *Charbonnages de France*; both of these securities pay 3 per cent annual interest plus an additional sum varying with the income of the companies. The former owners of the deposit banks and insurance companies are paid in *parts bénéficiaires* issued by the government and paying a minimum of 3 per cent interest. All the securities are amortizable over a period of fifty years except the *Obligations de la Banque de France*, which are to be redeemed within twenty years.

[15] The redemption value of the shares of the Bank of France was subsequently fixed at 28,029 fr. In August 1944 they were selling for more than 44,000 fr. *La Tribune economique* (Paris), August 9, 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Conclusion

The three laws passed in March and April 1946 fulfilled the major part of the nationalization program announced by President Gouin in January. With the law on banks they met somewhat less than half the demands of the *Délégation des Gauches* of October 1945 and more than half of those of the resistance as stated by the resolution of the Consultative Assembly in July 1944.

The difference between the demands and the accomplishment may be variously explained. The delaying tactics of General de Gaulle and the growing opposition of the parties of the center and right were in part responsible.

To what extent De Gaulle's policy of delay represented genuine concern for the maintenance of democratic and legal processes or to what extent it stemmed from conservative opposition to government in business is an open question. Certainly De Gaulle is essentially conservative, and he exhibited little sympathy with the ultimate aims of the Leftist parties, which were the strongest advocates of nationalization. On the other hand, he is a partisan of a powerful central government, and he repeatedly declared his support of nationalization as a means to assure the government's authority over the national economy.

Conservative political opposition grew stronger as the pressures of war and German occupation lessened. Many conservatives and moderates in the enthusiasm of national solidarity against the Germans during the occupation had endorsed the reform program of the resistance. Moved by patriotic resentment against the wartime failures and collaboration of private enterprise they had even joined in the demands for the nationalization of industry and credit. After the liberation, however, their ardor cooled. The Rightists who reasserted their opposition to all nationalizations on principle succeeded in increasing their numbers in the Assembly from the 35 who opposed the law on banks in December 1945 to 60 or more who refused to agree to the subsequent laws. The M.R.P., although formally committed to a broad program of nationalization, showed increasing reluctance to support the successive projects as they came up for consideration. If the uneasy compromise on which

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the three-party coalition was based were to be maintained, the government could not ignore the more conservative views of the M.R.P. in planning its legislative program.

Other more commonplace factors undoubtedly contributed to the restriction of the accomplishment. The shortage of competent personnel and other administrative and organizational difficulties of preparing and carrying out a number of such major reforms in a short perod were certainly formidable obstacles. The government was preoccupied, moreover, with more immediately pressing matters—the conduct of the war, the food and fuel supply, the revival of production—and there was a reluctance to complicate these problems by sweeping attempts to remake the economy.

The importance of the four major nationalizations, although they were less than the goal of the resistance and the Leftist parties, should not be underestimated. They constitute the most considerable step France has ever made in the direction of permanent socialization. They were adopted, moreover, by orderly, democratic procedure, and the first stages of their application were completed without serious political or economic disturbances. Even conservative financial circles demonstrated a measure of confidence in the new, national corporations by bidding up the securities of the nationalized companies on the Paris stock exchange in the early months of 1946.

The trend toward socialization is both firmly established and widely accepted. Its continuation in its present form will depend on the record of the newly nationalized industries, on the ability of the government to bear the heavy charges of indemnification, and on the determination of succeeding ministries to make the national companies going concerns. The whole experiment might be sabotaged by a conservative government jealous of the prerogatives of private enterprise or by an extreme Leftist government unwilling to contribute to the success of moderate socialization which might deflate the demand for more drastic measures.

DAVID H. PINKNEY

UNIVERSITY OF MISSOURI

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FRANCE MOVES TOWARD NATIONAL PLANNING

A FUNDAMENTAL economic problem for France today is to reverse the process of deterioration in industrial and agricultural equipment, which tends to retard that country's progress toward higher levels of production, labor productivity and living standards. The French government has sought to meet this crisis with a national economic plan, the so-called Monnet Plan,[1] for reconstruction, modernization and expansion of production equipment.

The Monnet Plan, as adopted by the Blum Cabinet on 7 January 1947, is not a detailed plan for the whole French economy. On the contrary, it deals in detail only with six basic economic activities. These six key resources are coal, power, steel, cement, agricultural machinery and transport, which are believed to comprise more than a third of French economic activity. The main concern of the Plan is to set production targets in a four-year (1947-1950) program of development for these six industries. It indicates the materials, labor, finance and other resources required to arrive at the new production levels.[2] The Plan is based on the belief that if the key resources are provided on a nation-wide basis, and the important bottlenecks widened, the whole economy can go forward without needing to be planned or controlled in detail. The Plan suggests ways of directing an increased flow of capital investment into the six industries, and would provide resources for such directed investment by setting short-term limitations on con-

[1] The document containing the Monnet Plan is the *Rapport Général sur le Premier Plan de Modernisation et d'Equipement*, published in Paris, 23 November 1946, when it was presented to the government for consideration and approval. Hereafter cited as *Plan*.

[2] Between 1946-1950, for example, coal production is to increase from 50 to 65 million tons, electricity from 23 to 37 billion KWH, steel from 4 to 11 million tons, and cement from 3 to 13.5 million tons. Annual production of agricultural machinery is to be increased fivefold, as compared to 1938. *Plan*, pp. 36 *et seq.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sumption.[3] If this first Plan succeeds, the French intend to draw up another four-year plan to be applied in 1951. In these pages we shall consider the French environment for economic planning, and discuss the organization and work of the agency which produced the Monnet Plan.

I

National economic planning has been considered seriously in France only since 1929, although the expansion of French industrial productivity has lagged behind the world rate since 1910.[4] Before the First World War the extent of handicraft production, the limited utilization of horsepower from gasoline engines, and the narrow base for mass-produced consumers' goods characterized France as a nation unable markedly to expand its national income or to reflect such expansion in improved standards of living. The First World War, moreover, converted France from an international creditor to a debtor. Although part of the country was literally devastated during 1914-1918, prodigious public expenditure and the recovery of production facilities in Alsace-Lorraine made possible the reconstruction of devastated areas within ten years. By 1929 American analysts were to write that, " under the influence of powerful stimuli to change, the French industrial equipment, which had been notoriously obsolete, was completely transformed in a great many branches of production and brought up to the highest standards of efficiency." [5]

[3] Such forms of economic control include: allocation of scarce materials, particularly coal and steel, certain rationing schemes, price control, control of employment, control over credit distribution, foreign exchange control, and a system of building licenses. *Plan,* pp. 99 *et seq.* See also " Le Plan Monnet et son financement ", *Perspectives,* Paris, 15 February 1947.

[4] *Statistical Review of the Economic and Financial Situation of France at the Beginning of 1946,* Commissariat Général du Plan de Modernisation et d'Equipement, Paris, 25 March 1946, p. 22. This document (in English) was prepared at the time of the negotiations for the American loan and financial settlement. Hereafter cited *Statistical Review.*

[5] W. F. Ogburn and W. Jaffé, *The Economic Development of Post-War France* (New York, 1929), p. 120. For a discussion of French internal and international finance during the decade 1914-1924, see H. G. Moulton and Cleona Lewis, *The French Debt Problem* (New York, 1925).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

France accomplished this economic recovery without a national plan for industrial reconstruction or production, although there was repeated state intervention in the economic system in an attempt to achieve financial stability and restore confidence in the franc, without which incentive for continued private plant expansion would not exist. During 1920-1939 reconstruction, war pensions and national defense together absorbed about ten per cent of national income, or half the income normally available for investment, leaving a margin for investment in producers' goods considerably below that available in other large industrial countries.[6] Between 1929 and 1931 the National Economic Council prepared five reports concerned with government financing of public works, and in 1929 the first legislative proposal was made for such a program. The Tardieu project of November 1929, which was not adopted, provided for a program of 25 billion francs for transport, public works and public utilities. A very limited program was adopted by the Laval government in 1931-1932, and the Paris region benefited from the so-called Marquet Plan for public works in 1934. The only comprehensive national program for the improvement of industrial and agricultural equipment was advanced, however, by the *Confédération Générale du Travail* in 1934. The C.G.T. plan had considerable influence in the resistance and in post-war France.[7]

Meanwhile, by 1938 the average age of the newest third of all French machine tools was twelve years, compared to seven to nine years in England, and only five to seven years in the United States, with a concomitant relative decline in French labor productivity. To this weakness in industrial substructure was added a disinvestment during the four years (1940-1944) of enemy occupation which was estimated at $28 billion and represented capital requisitions, outright destruction, obsolescence, removals and exhausted stocks. This domestic disinvestment has likewise weakened the French international position. The

[6] *Statistical Review*, pp. 6, 21.

[7] The Vichy régime also proposed (1942) an extensive ten-year plan. French planning before 1944 is discussed in "Les Plans français d'équipement", *Notes documentaires et études*, No. 267, Paris, 22 March 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cost of imports of food, raw materials and capital equipment since 1944, when added to the cost of proposed imports under the 1947-1950 Plan, amounts to a total which can be balanced neither by the liquidation of present French foreign assets nor by the maximum production for export possible with the industrial plant capacity and productivity rates of 1945. Plant modernization and expansion in output are necessary to provide the increased volume of exports.[8]

Essential capital replacement for French industrial and agricultural production during 1947-1950 has been estimated at $13 billion, with modernization requiring a further $6 billion. To provide such an increased flow of capital investment requires a considerable increase in national income. By 1950 French national income must be at a rate 25 per cent above 1929, to provide $6.25 billion for investment, as well as to produce an export surplus necessary to equilibrate the international balance of payments. This means investment during 1947-1950 should represent about 23 per cent of anticipated national income, compared to 20 per cent in 1929.[9] Although such an investment requirement should not be difficult to meet, the failure to provide the necessary domestic monetary stability at the outset of the first year of the Plan has meant that, "while we pretend to launch ourselves on the greatest investment program in our history, real savings have fallen to zero. No dialectic can resolve this contradition."[10] If by 1950 the intended income goal can be reached, the Monnet planners believe "the complete restoration of the French economy — given stable world economic conditions—should be possible in ten or twelve years."[11]

French planners saw the problem of increased national income as a problem in labor productivity rather than one of achieving full employment. Statistical investigations confirmed their impression that the American worker could produce three or four times the volume of production per man-hour employed, and the English worker more than twice the volume of the French

[8] *Statistical Review*, pp. 6, 9-10.

[9] *Plan*, pp. 86-88. Dollar values are at June 1946 price and franc conversion rates.

[10] *Le Monde*, Paris, 28 November 1946.

[11] *Statistical Review*, p. 10.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

worker. Similarly, in agriculture, a single producer in France feeds only five consumers, whereas in the United States he feeds fifteen.[12] The problem was to narrow the gap between the French economy and those foreign economies which were more highly developed industrially, so that France might compete in international economic relations. An examination of her international accounts "led to the conclusion that if France does not, within the next five years, make a considerable effort to develop exports, she will find it impossible to import what is essential." Invisible items in the balance of payments have declined as foreign assets have been liquidated, and the merchant marine sharply reduced. Tourist expenditures, which in pre-1914 France were considered sufficient to balance the merchandise deficit,[13] are no longer significant in international accounts. To balance its accounts France must realize a volume of merchandise exports at least 50 per cent above pre-war volume.[14] "To do this we must have conditions of production as modern as those of our competitors." Moreover, it is comparative cost relationships, and not simply hourly labor productivity, which France must consider in facing international competition. Such costs are not only the costs of factory production, but depend upon foreign exchange rates, the extent of multilateral adjustment mechanisms in the balance of payments, national income levels in potential market areas, and particularly the accessibility of dollar-area markets.

II

Planning in recent times has had as its purpose national security, stabilization and equalization. All imply intervention by public authority. It is axiomatic that national planning means public control.[15] When General de Gaulle in London decreed the setting up of a full commission for the study of

[12] *Statistical Review*, p. 7.

[13] Harry D. White, *The French International Accounts, 1880-1913* (Cambridge, 1933), p. 302. Under the Monnet Plan, tourist expenditures are anticipated to be about five per cent of income on current account. *Plan*, p. 71.

[14] *Plan*, p. 16.

[15] David Mitrany, "The Political Consequences of Economic Planning", *The Sociological Review*, October 1934, pp. 321-45.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

post-war problems in France, it is doubtful whether he had in mind the idea of public control.[16] As early as 1925 the National Economic Council had existed in France, whose mission was to suggest economic programs to the government; it had not proved of great avail. In 1936 the Blum Popular Front government set up an autonomous Ministry of National Economy which was likewise ineffectual. In 1939, as during the First World War, the government had full authority to mobilize the nation for war. The impotency of that mobilization the world realized in the summer of 1940.[17] The roots of impotency, moreover, lay in the whole organization of French industry during the inter-war period. For a Free French government in 1941, however, the problem at hand was the rehabilitation of French territory as it was liberated.

Fortunately for post-war France, the French Committee of National Liberation, installed at Algiers in 1943, was obliged to provide a central economic organization in North Africa, to coördinate the meager available stocks and services, to survey French resources in order to present a convincing bill of requirements to the Allied North African Economic Board and to the Combined Civil Affairs Committee in Washington, to centralize control over French foreign assets, to mobilize the Empire to the Free French régime, and to undertake to secure future Allied economic aid for liberated metropolitan France. After a year of trials and a piecemeal organization, the Algiers government in April 1944 created an Economic Committee, presided over by General de Gaulle, and including all of the commissioners concerned with economic questions.[18] It provided machinery to resolve, on a day-to-day basis, the economic problems facing the government, whether they were national, imperial or interallied. The Economic Committee, as one of the ensemble of committees correlated with the machinery of the

[16] *Commission Chargé de l'Etude des Problèmes d'Après-Guerre d'Ordre Economique, Financier et Social,* established by decree of 2 December 1941. *Journal Officiel de la France Libre,* London, 20 January 1942, p. 2.

[17] Pertinax, "The Failure of Rearmament", *The Gravediggers of France* (New York, 1944), pp. 116 *et seq.*

[18] *Journal Officiel,* Algiers, 29 April 1944.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Conseil National de la Résistance within France, served as a training ground for the new set of politicians who, it was intended, should provide the core of government in the new régime in Paris.[19]

There were numerous resolutions passed by the Consultative Assembly in Algiers, and there was strong determination to have done with Vichy economic policies in industry and agriculture,[20] but no framework for a national economic reconstruction plan is known to have been prepared before the liberation. After the liberation, the Ministry of National Economy was recreated, and its minister became vice-president of the Economic Committee, which was now responsible for all economic policy, the preparation of a national plan for reconstruction, and general directives concerning foreign economic relations.[21] As is so often the case, after the initial burst of enthusiasm in the fall of 1944, an interministerial dispute developed over the stringency of economic *épuration* and the direction of French national economics.[22] Meanwhile piecemeal plans were drawn up by different bureaus, concerned with machine tools, automobiles, housing, etc., and there was no emphasis on a coördinated program.[23] Not until the fall of 1945 did the De Gaulle régime fully realize or show concern for the seriousness of French international accounts and the sluggish movement within France toward national economic recovery. The leveling off of industrial production during the winter of 1945, consequent to a decline in coal allocations,[24] coincided with a new line of activity leading toward a national plan.

[19] The secretary-general of the Economic Committee, Hervé Alphand, was also director of economic affairs in the Commissariat for Foreign Affairs. For discussion see *Bulletin d'information et documentation*, Algiers, No. 5, 1944, pp. 259-70.

[20] Release, French Press and Information Service, New York, 8 August 1944.

[21] Ministry reëstablished at Paris, 4 September 1944; see *ordonnance* of 23 November 1944, *Journal Officiel*, 7 December 1944.

[22] *Action*, Paris, 15 December 1944; Maurice Edelman, cable to *The New Republic*, 21 May 1945.

[23] "Les Programmes actuels d'equipement", *Notes documentaires et études*, No. 268, 23 March 1946.

[24] Reportage and production indices by Jacques Gascuel, *France-Soir*, Paris, 26 February 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

III

The new Planning Council was established early in 1946 by a cabinet decree. Its terms of reference provided that it present to the government a plan to "increase production; increase foreign trade, especially in those industries in which France holds a favorable advantage; increase the rate of production to the level of the highest competing countries; provide full employment; raise the level of living; and provide for reconstruction of public and private equipment damaged or destroyed by the war." [25] The secretariat and operational headquarters of the Planning Council is known as the *Commissariat Général du Plan.* This technical staff, which wrote the four-year-plan report and presented it to the Council, is directed by Jean Monnet, who since 1940 had directed the French supply programs from London, Washington and Algiers.

The Planning Council was created for reasons of external as well as internal compulsion. Realizing that the United States was to be the principal source of imports, especially capital goods for reconstruction, France was faced with the "indispensability to show the United States that we could productively employ their credits." [26] The rationalization which was a simple matter in Algiers, when the United States was a combat war partner, was more difficult in the case of post-war French economics. During the summer of 1945, while reconstruction credits were being negotiated, the official American attitude was reported as: "Be liberal or *dirigiste.* Return to a capitalist or socialist economy. But take the decision and show us a serious program, and we will aid your country, for prosperity is necessary to peace." [27] Nothing of this has been made public in the United States, but if we gave such advice it was not completely unrealistic. Among the conditions which the United States reportedly considered prerequisite to the fullest utility of new credit aid were: (1) strict limitation on consumer goods production, with possibly continued rationing of many civilian

[25] Decree of 3 January 1946, *Journal Officiel,* 4 January 1946, p. 130.

[26] *Le Monde,* 28 November 1946.

[27] M. Armengaud, director of the French Industrial Production Mission at Washington, report of conversation with William L. Clayton, then Assistant Secretary of State for Economic Affairs, *Cahiers français d'information,* Paris, 19 May 1946, p. 13.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

items; (2) restrictions on armaments production; (3) full cooperation from French technological and industrial management groups employed in nonnationalized industries; (4) concerted disposition of French manpower to produce goods in quantity and of high-standard quality; (5) importation of industrial experts and the initiation of a long-range program of industrial training within France.[28]

The Planning Council, headed by the president of the government, included all the ministers and a bloc of eighteen persons "chosen for their competence."[29] The Council was to consider a plan drawn up by its working agency, the *Commissariat Général du Plan*, which had power to "carry out investigations deemed necessary . . . using any available statistical data . . . receiving full coöperation from the ministries in drawing up master schedules for production. All programs relative to production, armament, reconstruction, foreign trade and reparations will be communicated to the *Commissariat Général*."[30]

[28] *New York Times*, 19 May 1946.

[29] Membership of the Planning Council:
Premier-President of France (president);
Ministers of National Economy (vice-president), Foreign Affairs, Armaments, Finance, Agriculture and Food, Industrial Production, Public Works and Transport, Labor, Colonies, Urbanism and Reconstruction, Public Health and Population, National Education, Armies, and Posts, Telegraphs and Telephones.
Commissioner General of the Plan, Deputy Commissioner General of the Plan (secretary-general), Commissioner General for German and Austrian Affairs, Secretary-General of the Government, Undersecretary of State for National Economy, Secretary of Inter-ministerial Economic Committee, Director General of Economic Affairs for Ministry of Foreign Affairs, Chief of General Staff for National Defense, Vice-President of National Credit Council, High Commissioner for Atomic Energy, a Deputy, a Councilor of State, President of Agricultural Commission of the Constituent Assembly;
Two secretaries-general of the C.G.T., secretary-general of the C.G.T.C., delegate of Confederation of Agriculture, delegate of National Council of French Employers, delegate of Confederation of Small and Medium Business, director general of Citroen, director general of *Hauts Fourneaux de Saulne*, president of Wool Committee, secretary of Miners' Union, a farmer, two civil engineers of roads and bridges.
Compiled from *Journal Officiel*, 4 January 1946 (p. 130), 12 March 1946 (pp. 2038-39), 26 March 1946 (p. 2470), 28 March 1946 (p. 2535), 1 May 1946 (p. 3656), 18 September 1946 (p. 8007). Council membership gradually expanded for both political and technical reasons.

[30] Decree of 3 January 1946, *Journal Officiel*, 4 January 1946, p. 130.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Deputy Commissioner General of the Plan has pointed out that

> our first principle was not to superimpose a new administration on those already existing. The *Commissariat Général* will be instead a small group around Monnet which will aid other administrators in working out their projects, and give them means for execution. Administrative organization is of primary importance, for many capable men often see their essential qualities wasted by defective organization.[31]

In addition to Monnet, his deputy and his *chef de cabinet*, there are four divisions in the *Commissariat Général*: statistical, technical, financial and administrative.[32] "Our budget limits the staff to thirty-eight. It may be asked how we can handle such a mass of work with so small a staff." The answer is in the Commissions of Modernization, the "cells of the new machine which will provide the *planification*" of French economic activity. To provide plans from the bottom up rather than from the top down, and thereby to provide a medium for later acceptance and fulfillment by the economic sectors concerned, the Commissioner General of the Plan was to submit lists of public officials, technicians, employers, farmers, labor leaders, professional men and managers, who were appointed to Commissions of Modernization. The Commission members were "not chosen for their formal titles, but because of their real activity in their branches of industry, their dynamic personality, their wish to modernize, as well as the prestige and authority they hold among their colleagues."[33] The president and

[31] Robert Marjolin in *Cahiers français d'information*, 1 June 1946, pp. 17-20.

[32] From the *Répertoire des services de gouvernement*, Paris, 15 April 1946:
Commissioner General of the Plan, Jean Monnet.
Deputy Commissioner General of the Plan, Robert Marjolin (director, Foreign Economic Relations, Ministry of National Economy).
Chef de Cabinet, Felix Gaillard (Inspector of Finance).
Chief, Technical Division, Hirsch (former president, French Supply Council, London).
Chief, Economics and Statistics Division, Verget.
Chief, Finance Division, Delouvrier (Inspector of Finance, former *Chef de Cabinet*, Ministry of National Economy).
Chief, Administrative Division, Aicardi.

[33] Marjolin, in *Cahiers français d'information*, 1 June 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rapporteur of each Commission directed the work of the group; the *rapporteur* in each case was a staff member of the *Commissariat Général.* Membership of the eighteen commissions totaled 337, and of the seventy-nine subcommissions, 480. Together with the permanent personnel of the *Commissariat*, a total of 854 participated directly in the formulation of the Monnet Plan.[34] All previous plans of government agencies were presented to the plenary Commissions, which combined the resources of private experience in preparing analyses of each industry. The eighteen commissions, constituted between February and June 1946, were concerned with coal, electricity, metallurgy, inland transport, lubricants, manpower, rural equipment, vegetable and animal production, agricultural machinery, building materials, housing and public works, machine tools, automobiles, textiles, cinema, social consumption and modernization, and overseas territories.[35] Although the first Plan is concerned only with six basic industries, it is evident that a very comprehensive basis for planning for other sectors already exists.

As has been indicated, the Monnet office did not cover virgin ground. Many agencies had already established plans: the automobile plan, the machine tools plan, the plan for naval construction, all carefully studied and drawn.

> Their only defect was that they were drawn independently of each other, without accounting for over-all shortages. They would lead, in their net effect, to absurdities. Our first task was to lay such plans end to end and reëxamine them, in order of their relative importance. The results of all the Commissions of Modernization, despite the limits indicated in their enabling direc-

[34] *Plan,* p. 6. In announcing the acceptance of the Plan by the Planning Council and the Cabinet, M. Blum said: "This report is based on the various Commissions in which more than a thousand government officials, industrialists, trade unionists, farmers and technical experts collaborated." *Le Monde,* 8 January 1947. In addition to the standing membership, many experts were consulted during the working period, including American economists. Principal among the latter was Robert R. Nathan, former chairman of the War Production Board Planning Committee, and former deputy director of the Office of War Mobilization and Reconversion, who visited France twice during 1946 as a consultant to the Monnet office. Memorandum to the author, 29 January 1947.

[35] *Plan,* pp. 183 *et seq.,* for membership of the Commissions of Modernization.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> tives,[36] must be harmonized and unified by the *Commissariat Général*; it must see that different parts of the Plan are complementary, and that different plans add up to a total demand on resources approximating the total available to France.[37]

The planners also admit and face the political dilemma of all planners:

> Although we do not desire to penetrate into domains which do not concern us, we must make hypotheses of the level of consumption that it will be possible to obtain in France during the years of the Plan, not that it is our wish to dictate to the French people how much they may consume. It is not a question of making a plan which dictates to French industry in the pleasure of dictating to them; it is a question of fulfilling the Plan, to reach the goal which will permit France to resume its place in the world.[38]

M. Gouin, who in the Blum Cabinet of December 1946 was Minister of State for the Plan, skirted this dilemma in declaring that the application of the first Plan should be relatively easy: three of the sectors involved (inland transport, coal, electricity) are, for the most part, already nationalized, two (metallurgy, cement) are sufficiently concentrated to be easily directed through contracts between the government and organized producers, and agricultural machinery is to be reorganized as an industry. The government intends to direct the spelling out of that reorganization, as well as to control rural rehabilitation through a network of local government organizations. Disclaiming both prophecy and rigidity, those responsible for work on the Plan early emphasized that "it would be a bit ridiculous if the *Commissariat Général* would seriously and majestically suggest the establishment of a plan the realization of which would begin in two or three years. Our problem is

[36] At the first meeting of the Planning Council, 16-19 March 1946, Monnet outlined the economic situation in France, and suggested the elements of a program. Following a general discussion, resolutions—which constituted instructions—were drawn up concerning the bases upon which the Commissions of Modernization should operate. *Notes documentaires et études*, No. 291, 27 April 1946.

[37] Marjolin, in *Cahiers français d'information*, 1 June 1946.

[38] *Ibid.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

how to improve the immediate situation." [39] The final report of the *Commissariat*, now known as the Monnet Plan, was presented to the Planning Council in November 1946, for consideration on a political policy level.[40] The first steps toward its implementation were taken by the government early in 1947. Meanwhile, the *Commissariat Général* continues the elaboration of the annual installments of the Plan.[41]

For future economic direction the October Constitution (Article 25) provides for an Economic Council to "advise on proposed laws in its domain . . . before the National Assembly discusses them. It must be so consulted on the adoption of a national economic plan for the full employment of men and the rational use of material resources." Enabling legislation was passed in October 1946,[42] providing for a Council of 164 members who, it is anticipated, will ratify the work of the *ad hoc* agencies, as well as provide the first extended public discussion of the Plan. The pre-war National Economic Council, reëstablished in April 1946, the Labor Council, Credit Council, and other economic advisory bodies may be supplemented, absorbed into or replaced by the new Economic Council.[43] The final test may nevertheless lie in the courage and sagacity of the public administrators in post-war France, for the statute books provide most of the instruments to carry out public policy as envisaged by the Plan. The issue of national economics remains a political issue.

[39] Marjolin. The government also "viewed the possibility of its successors modifying the Plan due to circumstances." France is to have an industrial potential "which it will be able to reconvert as it wishes and use according to its needs." *Le Monde*, 8 January 1947.

[40] *Le Monde*, 28 November 1946.

[41] A decree of 16 January 1947 continues the life of the *Commissariat Général* as an agency responsible to a permanent committee of the Planning Council. The Commissioner General is to make public a progress report every six months, at which time he may suggest to the Council modifications of the Plan-in-progress. The Commissioner General continues work on a day-to-day basis in conjunction with the Directorate of Economic Programs in the Ministry of National Economy. *Journal Officiel*, 17 January 1947, p. 590.

[42] *Journal Officiel*, 28 October 1946, p. 9177.

[43] The function and composition of the new series of social and economic councils are outlined in the *International Labour Review*, July-August 1946, pp. 77-81; and November-December 1946, pp. 364 *et seq.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IV

What of the future implementation of the Plan? The practical problem of the *Commissariat Général* during the working period was to establish an understanding with the Ministries of National Economy and Industrial Production, whose Directorate of Programs and Permanent Council for Industrial Production were directly concerned with fulfillment of any program.[44] The Directorate was represented on each of the Commissions of Modernization, and was a party to the writing of all agenda. From this Marjolin thought that "a profit may be drawn from the meetings of capable people, a practice somewhat unique in French administration."[45] Industrial programs are to be implemented by ministerial orders and consultation with the industrial advisory councils. In so far as they meet government needs, the programs can be carried out through public contracts. Legislative sanction also provides for the requisition of any business which does not fulfill supply orders.[46]

In the fulfillment of the Plan, it is necessary that the administration be exactly and completely informed. When the Monnet office was first established, criticism was raised that France does not "at present possess the administrative machinery and statistical tools to tackle with ease a complex job of policy-making administration. Although France is weighed down with economic controls, even the most elementary facts and statistics are not available, and many controls are contradictory or ineffective."[47] Recognizing this fundamental problem, Monnet wrote in the preface to the Plan:

> In all advanced countries, regardless of their economic régime, in America as in Russia, statistics are at the basis of all governmental action. Without exact statistical information the execution of the Plan will meet with insurmountable difficulties, for it is a question of tracing the execution of the programs and of making adjustments as circumstances require. Good statistics permit

[44] Industrial advisory councils are discussed in the *International Labour Review*, July-August 1946, pp. 93 *et seq.*

[45] Marjolin, in *Cahiers français d'information*, 1 June 1946.

[46] *Journal Officiel*, 12 May 1946, p. 4097.

[47] *The Economist*, London, 29 December 1945, p. 930.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> without doubt the raising of numerous control measures that are now maintained in ignorance of the real situation. Here again, a joint effort of government and private enterprise is necessary: too many demands for information, too many official questionnaires to fill out, added to the traditional skepticism with regard to figures, have led Frenchmen either to stop providing desired information or to give inexact data. It is necessary that the number of indices be reduced and that those remaining be exactly compiled. This supposes uniform accounting and inventory techniques, and the strengthening of coördinators and offices receiving and analyzing statistics. A special effort must be made concerning the statistics of national income and manpower, indispensable instruments for the coördination of government action.[48]

How successful has been this attack upon the problems of French industrial and agricultural organization, whether or not this Plan succeeds in national economic rationalization and in the acceleration of the flow of national income, remains to be seen.[49] For the immediate problems, the bottlenecks impeding the four-year program, "coal and transport are temporary bottlenecks. Within three years we will probably be able to import all the coal we wish, as well as engines and railroad cars, which we need to expand transport capacity. The durable bottlenecks are in foreign exchange, which will demand a strict discipline in foreign commerce; and manpower, which will require a policy of encouraging great immigration of foreign labor." [50]

The bottlenecks in coal, foreign exchange and labor are all, in part, a result of the political settlement of central Europe. The limited coal deliveries to France from the Ruhr up to 1946, especially the short supply of essential coking coal, have been the most effective brake on metallurgical recovery. The Ministry of National Economy indicated that the industrial pro-

[48] *Plan*, pp. 106-7.

[49] Before the last war it was said of French economic planning that "under present circumstances [it] will be limited by the benefits which accrue to those classes whose representatives make the plans. It is doubtful whether or not it can regulate what is perhaps the most pressing of problems: the problem of distribution." Shepard B. Clough, *France: A History of National Economics, 1789-1939* (New York, 1939), p. 346.

[50] Marjolin, in *Cahiers français d'information*, 1 June 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

duction index at the beginning of 1947 was about 85 per cent of 1938 levels.[51] A graph of monthly coal allocations for 1946 indicates a high correlation between those allocations and the production index.[52] Although domestic coal production has exceeded pre-war levels, imports—which accounted for a third of pre-war consumption—are at less than half the pre-war levels.[53] In April 1947, France signed a protocol with the United States and United Kingdom, under which the allocation of German coal production for export to France will increase from the present 12 per cent quota to a maximum of 25 per cent, in the event of an increase in German coal production.[54]

The Ministry of Finance projection of French international accounts for 1946-1950, drawn in conformity with the intentions of the Monnet Plan, indicates that, provided merchandise exports reach a total of $5.5 billion for the period, a net international deficit of $1.4 billion will remain.[55] Not only will French capital be unavailable for export for some time, but a certain error is being made in liquidating various current foreign assets, particularly in sterling areas, in order to cover current deficit accounts; in doing so France is reducing the fixed earnings in sterling she now enjoys, which may not readily be replaced.[56] To meet the presently reckoned $1.4 billion deficit, France requested a $500 million loan from the International Bank for Reconstruction and Development, and has already received half that amount.[57] The source of the remaining $900 million may be German reparation.[58]

[51] *New York Times*, 30 January 1947.

[52] New York *Herald Tribune*, European Edition, Paris, 16 January 1947.

[53] *Le Monde*, 25 January 1947, report of European Coal Organization.

[54] *New York Times*, 22 April 1947.

[55] *Plan*, p. 71.

[56] Text of Anglo-French Financial Agreement of 3 December 1946, *Cmd. Paper* 6988, London (1946). To reduce the deficit in invisible items, the United States announced its intention of making available 750,000 tons of shipping for the French carrying trade; Blum-Byrnes Financial Agreement, text, *Le Monde*, 30 May 1946. France was allocated 60,000 tons of German shipping as reparation. *Report of Secretary-General*, Inter-Allied Reparation Agency, Brussels, 1947, p. 61.

[57] *Le Monde*, 23 October 1946; *New York Times*, 10 May 1947.

[58] Statement by Felix Gouin, *Le Monde*, 30 May 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It has been suggested that a three-fourths fulfillment of the Plan will be a remarkable success. In this respect such a proportionate fulfillment of the working manpower deficit would be even more remarkable.[59] The Plan indicated that during 1947-1950, 1.2 million additional adult laborers will be necessary to create the projected national output. This figure includes the replacement of 500,000 prisoners of war.[60] The introduction of a greater proportion of women into industry,[61] industrial training programs, and a concerted program for importation of labor are possible solutions. An Italian agreement has been concluded,[62] and negotiations are under way for the immigration of German labor, including prisoners of war, and displaced persons from central Europe. Whether or not the Monnet Plan will receive support from the mass of the French peasants, as well as industrial labor, is of primary interest to the United States. Underlying our concern for French rehabilitation, which may add from five to ten per cent to world trade, is our concern for France as a possible "bastion of military strategy, as well as a bastion of political and moral strategy." [63]

EDGAR BEIGEL

PITTSBURGH, PA.

[59] The Plan is based on a legal maximum work week (without overtime) of 48 hours. *Plan*, p. 78. The average industrial work week was 40.8 hours in April 1939; 42.6 hours in January 1946; and 44.1 hours in October 1946, although the legal base was 40 hours. *Revue française du travail*, May 1946, p. 175, and *Le Monde*, 28 January 1947. During 1944-July 1946, 1.7 million adults were repatriated and reintegrated into French economic life; see summary by C. Bettelheim, *International Labour Review*, September-October 1946, p. 154.

[60] *Plan*, pp. 78-92.

[61] The proportion of women in all occupational groups was estimated at 32 per cent in 1946, compared to 30.2 per cent in 1936. Bettelheim, in *International Labour Review*, September-October 1946.

[62] Franco-Italian Accord of 21 March 1947 provides for immigration of 200,000 Italian laborers during 1947-48; *New York Times*, 22 March 1947.

[63] Statement by W. Averell Harriman, Secretary of Commerce, *New York Times*, 21 November 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IV REVINDICATION OF THE PRINCIPLE OF LEGAL EQUALITY OF STATES, 1871-1914 II *

B. *Conferences Called to Codify International Law*

IT is generally recognized that the principle of equal representation of interested states has been widely accepted in conferences on nonpolitical questions, which include the codification of international law. In the latter field, the two most important of all, the Hague Peace Conferences, were called the occasions on which even *political* equality received its "most conspicuous application in modern times." [1]

But there is not the same striking difference in this respect between the legal codification conferences of the period between 1814 and 1870 and of the period between the Franco-Prussian War and the First World War, as has been found in the case of political conferences.

The Conference of Geneva in 1864, which established rules for the amelioration of the condition of soldiers wounded in battle, was called by Switzerland. Fourteen, or if Norway, at that time united with Sweden, is separately counted, fifteen, European states took part, but representatives of two Great Powers, Russia and Austria, were absent.[2] Article 9 of the Convention, signed on August 22, 1864, left the door open for the accession of all states.[3]

The Conference for the revision of this Convention met on the invitation of the Swiss government in Geneva in October 1868. This time, also, two Great Powers were not represented, although eleven smaller Powers, including Norway, were.[4]

* The first part of this article appeared in June 1947.

[1] Edwin De Witt Dickinson, *The Equality of States in International Law* (Cambridge, 1920), pp. 284, 285.

[2] G. Fr. de Martens (ed.), *Nouveau Recueil Général de Traités* (Goettingue, 1843-75), XX, 375 *et seq.*

[3] *British and Foreign State Papers* [hereinafter cited: *B. & F. S. P.*], LV (1864-1865), 43 *et seq.*

[4] De Martens, *op. cit.*, XX, 400 *et seq.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

When the same subject came up for revision in the following period, the same liberal policy of admission to the Conference which met in Geneva in 1908 was adopted. But the circle of participants had enlarged to thirty-five, including all six European, two non-European Great Powers, and many Asiatic and Latin American countries. Adherence of all states to the new convention of July 6, 1906 was permitted by Article XXXII.[5] Similarly, while in the First Peace Conference in The Hague representatives of only twenty-six states were invited and took part,[6] forty-four out of forty-seven states invited participated in the Second Conference.[7]

At the international Naval Conference in London, 1908-1909, the six traditional European Great Powers were represented. By addition to the number of participants, of the non-European Powers, the United States and Japan, and of Spain, the Conference was assured of the coöperation of all states which at that time had important war fleets. The Netherlands, not included in the original invitation, was later requested to take part "in view of the peculiar position occupied by their country as the seat of the proposed International Prize Court and as the meeting place of the First and Second Peace Conferences." Article 70 of the Declaration provided for the accession of all states not represented at the Conference.[8]

How much the participation of states in codification conferences is determined by their interest in the subject, rather than by their position as great or small Powers, is shown by the fact that Great Britain did not take part in any of the Hague Conferences of 1894, 1896, 1897, 1902 and 1905, dealing with codification of international private law, while Luxembourg took part in all of them.[9] A comparison of the Declaration

[5] *B. & F. S. P.*, XCIX (1905-1906), 968 *et seq.*, 977.

[6] James Brown Scott (ed.), *The Proceedings of the Hague Peace Conferences, The Conference of 1899* (New York, 1920-1921), pp. 1-7.

[7] Scott, *op. cit., The Conference of 1907*, I, 1-15.

[8] James Brown Scott (ed.), *The Declaration of London, February 26, 1909* (New York, 1919), pp. 13 *et seq.*, 16, 17, 129.

[9] *B. & F. S. P.*, LXXXVII (1894-1895), 126 *et seq.*; LXXXVIII (1895-1896), 555 *et seq.*, 559; LXXXIX (1896-1897), 587; XCV (1901-1902), 411 *et seq.*; XCIX (1905-1906), 990 *et seq.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

respecting Maritime Law, signed in Paris on April 16, 1856,[10] with the Declaration of London of 1909 seems to substantiate the point that as to codification conferences it is the extension of the territorial scope of international law—which, as was shown, also contributed to the strengthening of the principle of legal equality—rather than the assertion of a supernational authority by the Great Powers in the earlier period, which forms the difference. The Declaration of London was signed by the Netherlands, Spain, and two non-European Powers in addition to the six countries which were also parties to the Declaration of Paris. Both declarations provide for accession of other Powers (Article 4 in Paris and Article 70 in London), and are considered by their authors as binding only the signatories and the states *which accede*. But while in 1909 the legal rule that an agreement binds only the parties to it did not require any express statement to this effect because it was generally recognized, the Declaration of Paris says: "The present Declaration is not and shall not be binding except between those Powers which have acceded, or shall accede to it." The conviction of statesmen of this period as to a supernational authority of the Great Powers, acting in concert to impose obligations on other states without their consent, probably explains why the authors of the Paris Declaration thought it necessary to insert the quoted clause. It is interesting to observe that this supernational authority, although exercised at the same Congress of 1856 in the decision of political questions, was not used in regard to the codification of maritime law.

C. *Conferences Dealing with Economic Questions*

Economic conferences form another group of nonpolitical diplomatic meetings at which generally before, as well as after, 1870 the principle of equal representation of all interested states had been observed. Because the objections to the validity of the principle of legal equality in the period before the First World War are derived from the precedents set by the Great Powers in the political field, economic conferences are of less importance to us. Furthermore, there are no basic differences

[10] Edward Hertslet, *The Map of Europe by Treaty* (London, 1875-1891), II, 1282, 1283.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

regarding them in the two periods under consideration, except that the territories which were subject to economic agreements rapidly expanded between 1871 and 1914, in conformity with the general tendency of international law to increase its local sphere of effectiveness.

The first of the sugar conventions, signed in Paris on November 8, 1864, counted only four participating nations, two large and two small Powers. The Sugar Convention, signed in Brussels on March 5, 1902, supplemented by an additional act on August 28, 1907, had finally fourteen adherents, including the six Great European Powers. The Permanent International Commission, which was created in 1902, was composed of delegates of all contracting states. All had *equal* voting rights. On some very important, although not on all, matters, decision could be made by majority vote. Thus it became theoretically possible " that an individual state may be compelled to alter or modify a tariff quite against its own sovereign wishes." [11]

At the International Postal Conference in Paris in 1863, only fourteen states, including some small states, but excluding Russia, were represented. At the Congress of Berne in 1874 twenty-two states took part.[12] Even before 1914 practically the whole world belonged to the Universal Postal Union.

The first international telegraph convention was signed by twenty countries (Norway separately counted) in Paris on May 17, 1865.[13] The Revision of the Convention of 1875, signed in Lisbon on June 11, 1908, bears the signatures of representatives of forty-nine countries and dependent territories.[14]

The conference approach to the Danube problem offers the only exception in this period. As late as 1883, at the Conference in London, the interested small Danube states (Serbia and Rumania) were refused admission on the basis of equality but called upon to participate in an advisory capacity. Serbia ac-

[11] Gustav Mikusch, *Geschichte der internationalen Zucker-konventionen* (Berlin, 1932), pp. 82 *et seq.*, 93 *et seq.*, 98 *et seq.* Francis Bowes Sayre, *Experiments in International Administration* (New York and London, 1919), pp. 120, 122, 123.

[12] Union Postale Universelle, Bureau International, *L'Union Postale Universelle* (Einsiedeln, 1929), pp. 9, 26.

[13] *B. & F. S. P.*, LVI (1865-1866), 294 *et seq.*

[14] *B. & F. S. P.*, CII (1908-1909), pp. 291-294.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cepted, but Rumania refused to take part under the prescribed conditions. Representatives of Bulgaria as a vassal state of Turkey were present, but had to communicate with the Conference through the delegates of the Sultan. Navigation on the Danube, however, is legally and historically closely connected with the Near Eastern question, which was the last political problem to be abandoned by the jurisdictional claims of the Great Powers acting in concert.[15] In contradistinction to this treatment of Danube navigation, the treaties of Mayence in 1831 [16] and of Mannheim in 1868,[17] which regulated shipping on the Rhine, were legal instruments of the riparian states.

Although conferences on economic subjects, either before or after 1870, showed no signs of assertion of a supernational authority by the Great Powers, the need for efficient international administration was responsible in several cases for abandonment of the equality of votes of all states, participating in organizations which were established after the Franco-Prussian War. The weighting of votes, not in proportion to the power of the countries, but often in accordance with their importance in the particular field in question, which became much more frequent after the First World War, started before 1914.[18]

For example, the agreement of December 1907, creating the International Office of Public Health, divided the member states into six groups according to the number of units of the bureau expenses they were willing to contribute. Each state willing to pay more might enter a higher, but not a lower, group. New adherents to the agreement might choose their groups (Article XI). Each state had one representative on the governing body of the Office (*Comité*), whose voting rights were inversely proportional to the number of the group to which his state belonged (Article VI).[19]

[15] Joseph P. Chamberlain, *The Regime of International Rivers: Danube and Rhine* (New York, 1923), pp. 81 *et seq.*, 82, note 3.

[16] Hertslet, *op. cit.*, II, 848 *et seq.*; Chamberlain, *op. cit.*, pp. 201 *et seq.*

[17] De Martens, *op. cit.*, XX, 355; Chamberlain, *op. cit.*, pp. 237 *et seq.*

[18] Joseph P. Chamberlain, "International Organization", in *International Conciliation*, No. 385, pp. 509 *et seq.* (December 1942).

[19] *B. & F. S. P.*, C (1906-1907), 468, 469, 470.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Such an inequality of votes hardly violates the principle of legal equality any more than the right of a stockholder to votes in proportion to the shares he owns offends against the same principle in municipal law.

Similar provisions were adopted by the Convention for the Creation of an International Agricultural Institute in 1905 (Articles III and VII).[20]

Another method to give weighted voting rights to various countries was adopted by the Universal Postal Union in 1878, namely, granting votes to dependent territories.[21] An example of weighted voting, probably unique for the period before the Franco-Prussian War, is offered by Article XIII of Annex XVI to the Treaty of Vienna, providing that votes of the members of the Central Commission of Control of the Rhine Navigation should be weighted in proportion to the extent of the riparian territory of their respective states, whenever they elected a Chief Inspector.[22]

If weighted voting is considered inconsistent with the principle of legal equality, then in the period before the First World War we had two opposing trends: while international legislation in the political sphere showed an increased strength of the principle of equality, international administration in the *economic field* showed increasing inequalities. But such a formalistic approach would mean an overemphasis on the problem of voting in international administration as against the progressing participation of the smaller states in the decision of international affairs.

Administration of International Justice

Only very weak beginnings of an international judicial machinery, which may be compared with the judicial branch of modern constitutional governments, can be found in the period before the First World War. The right of self-help,

[20] *B. & F. S. P.*, C (1906-1907), 595, 596.

[21] *Hertslet's Commercial Treaties*, XIV, 1015: Convention of June 1, 1878, Art. XXI.

[22] Hertslet, *op. cit.*, I, 82; Chamberlain, *The Regime of International Rivers*, p. 186.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which in international law has performed the functions that are assigned to the courts in national law, is equally given to all states, great and small. In the case of violation of rights, no difference exists in the conditions under which a state may take reprisals and in the means which it may apply to this end. The same rights of diplomatic protest, intervention, and so on, are open to all states. When war breaks out, if the use of a weapon is permitted to one party in the conflict, it is also perfectly legitimate for its opponent. Article 2 of the Hague Laws and Customs of War on Land makes sure that the belligerent rights of all warring nations are the same.[23]

In the judicial sphere, during the period under discussion, practically perfect equality prevailed. In this respect, there was some progress in comparison with the time before 1870. The earlier supremacy of the Great Powers, which was whittled away after the Franco-Prussian War, had implied the claim of supreme judicial authority.[24] All states had the same rights to suggest mediation or arbitration, and where contractual arrangements to this end existed, hardly any trace of inequality can be found. The Permanent Court of Arbitration at The Hague is founded on the principle of equality of states.[25] The tenacity with which the smaller states defended the principle of equality of states at least partly contributed to the final failure of attempts to obtain a ratification of the Convention relative to the Establishment of an International Prize Court, although strong opposition in England may have been the major factor. At the Second Hague Peace Conference, at which the Convention on the Prize Court was adopted, ten smaller states made reservations on Article 15, which provided for privileged representation of the eight Great Powers on the Court. An annex to Article 15 provided for a weighted representation of the other states.

[23] A. Pearce Higgins, *The Hague Peace Conferences* (Cambridge, 1909), pp. 210, 211.

[24] T. J. Lawrence, *Essays on Some Disputed Questions in Modern International Law* (Cambridge, England, 1885), pp. 230, 231; Protocol of Aix-la-Chapelle, November 15, 1818, in Hertslet, *op. cit.*, I, 571 *et seq.*; Dickinson, *op. cit.*, p. 323.

[25] Dickinson, *op. cit.*, p. 322; Max Huber, *Die Gleichheit der Staaten* (Stuttgart, [1908 ?]), p. 91, also quoted by Dickinson.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Draft Convention relative to the Creation of the Court of Arbitral Justice was adopted as "*voeu*" at the Second Hague Conference. Of the thirty-six states which voted for the *voeu*, fifteen made reservations "chiefly in the sense of accepting the Court providing that the principle of legal equality be recognized in the composition of the Court." No agreement had been achieved at the Conference on the procedure of appointing the judges of the Court.[26]

The only real international court which existed before 1914 was the Central American Court of Justice in the western hemisphere, which is outside the scope of our examination. This court was based on equal representation of all participating states.[27]

General Reasons for the Failure of the Predicted Legal Superiority of the Great Powers to Materialize in the Period before the First World War

The development of the legal position of the Great Powers between 1870 and 1914 cannot better be characterized than by a comparison of the Treaty of Berlin in 1878 with the peace treaties of London, Bucharest, and Constantinople in 1913. The Berlin Treaty had the same subject as the latter three compacts: the establishment of a political order in the Balkans. The Treaty of Berlin, however, was the exclusive legal instrument of the Great Powers and Turkey, which the other affected Balkan states were not permitted to sign, while the treaties of 1913 were signed only by the interested Balkan states and by none of the Great Powers.

The modern principle of equality of states, or a corresponding idea underlying the relations of states, could not *effectively* develop in any international society in which one member is considerably stronger than all the others combined. The Chinese Empire for long periods of its history was much stronger than all the other states with which it formed one of the several international societies which then existed; and it did not recog-

[26] Higgins, *op. cit.*, pp. 407 *et seq.*, 414, 441, 430, 517.

[27] U. S. Department of State, *Papers Relating to the Foreign Relations of the United States*, 1907 (Washington, 1910), II, 698: Art. 6 of the Convention of 1907, establishing the Court.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nize other states as equals until, in modern times, one of them, the Western-Christian, absorbed all the other international societies. The Persian Empire expressed its attitude of superiority toward other states by calling its ruler "King of Kings". Before the battle of Zama in the year 202 B. C., the Romans often dealt with other nations on the basis of equality, but after that event, when they had become stronger than all the other members of their international society together, they considered their state to be superior to all the other countries. The title of their ruler, Emperor, became the symbol of supreme world authority for at least 1,600 years, long after their empire had broken down. That the superior strength of the United States in the western hemisphere has not had the same effect may partly be explained by the particular ideological coloration of America and partly by the fact that the society of American states has never been as completely isolated from Europe as international societies were from each other in former times. On the other hand, in the international society of Greek states, where during some periods no one state was stronger than all the others combined, the idea of equality can be noticed.[28]

In our western world, it was only after 1648, when the international society was *finally* founded on an equilibrium, no one Power being stronger than all the others, that the modern principle of equality of states could be formulated. The three works, *Elementa philosophica de cive*, *Leviathan* by Thomas Hobbes, and *De Jure Naturae et Gentium* by Samuel von Pufendorf, which, according to Professor Dickinson, originated the modern principle of equality of states, were first published in 1642, 1651 and 1672 respectively.[29]

During the eighteenth century the principle of equality of states was not disputed, and no legal superiority of the Great Powers was asserted. There must be some reason why the assertion of a legal superiority by the Great Powers could take place after 1814, but not before the French Revolution. As Ernest Nys explained:

[28] Manuel Araoz y Balseyro, "La igualdad como derecho de las personas juridicas internacionales", in *Revista de Derecho Internacional*, XLVI (1944), 172 (Greece), 173 (Rome).

[29] Dickinson, *op. cit.*, pp. 68 *et seq.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> In the numerous political combinations of the eighteenth century the adversaries found themselves frequently of nearly equal strength and it is a fact that the accession of weak states to one or the other of the influences which contended for supremacy was of sufficiently considerable importance. In this way the position of the small states was better; consequently, the political practice conformed in every respect with the theory, which did not stop to proclaim the equality of rights.[30]

There were other circumstances, however, which improved the relative position of the smaller Powers in the eighteenth century. Under more primitive conditions of communication the larger state is often proportionately much less capable of making a full use of its material and human resources than a state extending over a smaller area. Efficient conscripted land armies, which are the result of more modern social conditions and of better popular education, tend to increase the weight of greater populations. Finally, modern industrialization heavily tips the scale in favor of countries with greater resources, and particularly explains why the development of relatively greater strength of the large Powers continued and was accelerated in the twentieth century.

In the fight against Napoleon, to which the smaller states naturally contributed much less, a coalition of the Great Powers was formed, which during the period of 1814 to 1870 had sufficient common interests on several occasions to act in concert, to the partial or complete exclusion of the smaller Powers. These common interests were historically transitional, although, given similar political conditions, they might reappear, and actually did so.[31] They were not necessarily inherent in the nature of the states as *Great Powers*.

Actions of smaller states, particularly local wars, may bring about changes in the international equilibrium that can force the Great Powers to wage war among themselves at a time not of their own choosing. Participation in conferences of smaller

[30] Ernest Nys, "Le Concert Européen et la notion du Droit International" in *Revue de Droit International et de Législation Comparée*, Deuxième Série, I, 285.

[31] Paris Peace Conference, 1919. Ambassador Conferences after the First World War, Conferences of Stresa in 1935 and of Munich in 1938, the Conferences of the Big Three, Four, and Five in the Second World War and its diplomatic aftermath.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

states may, but not necessarily, make compromises more difficult, compromises which seem to the statesmen of the Great Powers much more vitally important than the particular aims pursued by a small state. Backward countries, with an inexperienced and incompetent, although aggressive, leadership, with little understanding of the realities of international political life, may stand in the way of compromises, considered by the Great Powers necessary for the preservation of the peace which they desire. It is no accident that the Balkan states, and particularly Greece, were the main concern of the European Concert.

At peace conferences, particularly after great wars, a tendency of the Great Powers can be observed to take decisions more or less without the consent of smaller Powers.[32]

The opposition of a single Great Power seldom can thwart the inclination of the other Great Powers to usurp supernational authority. At times the opposing member of the Concert is compelled to go along because it wants to avoid diplomatic isolation and to retain some influence on the decisions to be made by the Powers. As a matter of fact, the common action of the Concert was often motivated by its desire to overcome by diplomatic pressure the opposition of one of its members in order to preserve peace. No *combination* of forces was normally necessary in order to exert the same influence on a smaller state.

The period between 1814 and 1870 saw first the need for an alliance of the Great Powers to overthrow the hegemony of France. The common, although relatively short-lived, desire to prevent the revival of revolutionary ideas explains the usurpation of supernational authority at the Congresses of Troppau, Laybach, and Verona (1820-1822). Two peace conferences after great wars, Vienna in 1814-1815 and Paris in 1856, offered the atmosphere which is so favorable for the rise of Great Power hegemony. The Congress of Aix-la-Chapelle supplied the formal treaty basis for the Pentarchy.[33]

The continuing decay of the Turkish Empire furnished the Great Powers an area for action, in which the more highly

[32] Harold J. Tobin, "The Role of the Great Powers in Treaty Revision", in *American Journal of International Law*, XXVIII (1934), 490; Earl Russell to Earl Cowley in a letter of November 25, 1863, in Hertslet, *op. cit.*, II, 1585. Tobin refers to this letter.

[33] Hertslet, *op cit.*, I, 571: Protocol of November 15, 1818.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

civilized small European states, outside of the Balkans, were little, if at all, interested. Some of the Balkan countries, however, were only semi-sovereign, and all of them were backward and politically immature, inviting thereby their exclusion from congresses (and conferences) discussing their fate. As a result frequent common actions, with exclusion of the small Powers, became a habit among the statesmen of the Great Powers. Thus, diplomatic usages were established, leading to the real or at least professed conviction of the governments of the Great Powers, and particularly also of the other states, that the supernational authority usurped by them was theirs as of right.

The consequences of the Franco-Prussian War, resulting in German danger to European equilibrium, split the European Great Powers into two hostile camps of nearly equal strength, making common action increasingly difficult and finally impossible. Thus, diplomatic usages, which implied the assumption by the Great Powers of supernational authority and which seemed to some writers to be the beginning of customary law, establishing the legal superiority of the Hexarchy, became obsolete before 1914.

An additional feature of the period between the Franco-Prussian War and the First World War was the rapid spread of Western civilization over the world, thereby extending the sphere of international law and of its principle of legal equality. In 1912 Oppenheim could still write that the position in international law of such states as Persia, Siam, China, Abyssinia was doubtful,[34] but the third edition of his work, *International Law*, in 1920 contained no expression of doubt.[35] Furthermore, the acceptance of Western ideas, legal conceptions, and material achievements by the "backward" countries was accompanied by their increasing demand for participation in any international decisions of interest to them. This was true, also, of the Balkan states.

Why did the Great Powers fail to insist on the *legal superiority* which once they had asserted? Was there any doubt that they could enforce the continuous observation of a rule until it finally would pass as law?

[34] L. Oppenheim, *International Law* (London, 1912), I, 33.

[35] *Ibid.* (London, 1920), I, 35.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

To comprehend their act of self-denial we have to understand the kind of international society toward which the legal supremacy of the Great Powers would necessarily lead. Such an assumption of authority to decide on cessions of territory, on recognition and neutralization of states, on internationalization of rivers, on exclusion of representatives of the smaller riparian states from a river commission with broad powers, on intervention in internal affairs for the suppression of undesired political reforms, or for the enforcement of political and social improvements—all this at one time or another had been done by the European Concert—would ultimately have produced a revolutionary change in the character of our international society. It could have been brought about in two ways: by division of the whole world into spheres of influence for each individual Great Power or—more in conformity with the historical character of the European Concert—by rendering the surface of the earth, outside of the Great Powers, their condominium.

But the division of the whole world into spheres of influence, or the creation of a condominium of the Great Powers over all the other states, involves a profound disturbance of the very delicate equilibrium of the globe, which could not be brought about except by a series of world wars, repeated realignments of states, and new wars. To avoid such a holocaust is from a long-range historical viewpoint more important for the Great Powers than the *common* additional advantages they might gain from a persistent diplomatic practice to exclude the smaller states from participation in the settlement of international affairs, which alone might finally transform their usurpation of authority into international law.

Furthermore, the participation of the smaller states in the solution of international problems affecting them is a decisive factor in the promotion of their own interests and prosperity. Efficient international as well as national legislation must pay attention to all the major interests involved.[36] Apart from backward countries, foreign rule as such does not normally contribute to good government.

[36] Joseph P. Chamberlain, *Legislative Processes* (New York and London, 1936), pp. 193, 194, 64, 65.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Most of the individual rights which states have as independent members of the international society are *needed* by them for the efficient performance of the functions for which the community of nations, as well as any other human society, exists: advancing the interests of its members by advancing the common good. The preservation of internal peace and law, one of the most important tasks a national administration performs for the international society,[37] would be rendered very difficult, if not impossible, in a state which did not have the international rights necessary for the welfare of its citizens, and which on vital problems was dependent on decisions of foreign Powers. Whenever states have the legal right to accept or reject obligations they are called upon to undertake, and whenever they are customarily invited to take part in the discussion of international affairs affecting them, they are in a position to obtain more or less satisfactory consideration of their interests. It is true, their consent can be enforced. But the stronger Powers are very often willing to make *concessions* to escape the need for the application of force. Furthermore, the execution of international decisions is much more efficient, if the national governments called upon to carry them out are willingly coöperating.

Because the welfare of all members of the international society is interdependent, the Great Powers have a *general* and *long-range* interest that all countries have the individual rights which are necessary for the effective promotion of their interests.

The assumption of a position of legal superiority by the Great Powers—as exemplified by the European Concert—would in the long run be inconsistent with their own interest in a very *far-reaching similarity* of individual rights of *all* independent states, small and large alike. Lord Castlereagh, in his famous circular letter of January 19, 1821, expressed a similar idea, referring to the states of the European Concert as "attributing to themselves a supremacy incompatible with the rights of other states." He asserted that

> . . . the British Government would nevertheless regard the principles on which these measures [he refers to intervention against

[37] Professor Joseph P. Chamberlain in the Seminar on International Law, Columbia University, Spring, 1946.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> revolution] rest, to be such as could not be safely admitted as a system of International Law. They are of the opinion that their adoption would inevitably sanction . . . and . . . lead to, a much more frequent and extensive interference in the internal transactions of States, than . . . can be reconcilable either with the general interest, or with the efficient authority and dignity of independent sovereigns.[38]

The very close similarity [39] of individual rights of all independent states is no " chimera " [40] but a reality and an essential feature of our international society, though not unchangeable, but subject to historical modifications. Equality is an abstract term which, when applied to concrete things, is used to cover close similarity. But why, in our case, should we use the words " legal equality " and not be satisfied with the simple statement that the rights of independent states are similar?

Problems of Legal Construction

As has been shown, the similarity of the individual rights of independent states is not accidental, but results from the common interest of our society of nations that all of them should *equally* have the rights necessary for the promotion of their welfare. *Equality* and not mere similarity becomes, therefore, the guiding principle in reference to all rights which are needed to this end. Different individual rights are permissible and often useful in so far as they do not obstruct the fundamental aims, which are to be achieved by *equal* rights. Furthermore, a precise and unequivocal term such as " equality " is preferable to the word " similarity ", when one is defining a guiding principle.

If one accepts the function of equality of rights, as described above, one will regard as inconsistent with the principle any differentiation which deprives any state of rights possessed and needed by other states for the furtherance of their well-being. A persistent usurpation of supernational authority by the Great

[38] Hertslet, *op. cit.*, I, 664.

[39] Charles Cheney Hyde, *International Law* (Boston, 1945), I, 27 *et seq.*

[40] James Lorimer, *The Institutes of the Law of Nations* (Edinburgh and London, 1883-1884), II, 194.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Powers, therefore, cannot be considered reconcilable with legal equality. Weighted voting rights, voluntarily accepted, will *generally* not fall into this category. Contractual rights, however, which, whether by weighted voting systems in an economic cartel or otherwise, subject the most vital economic activity of one country to the domination of another state, may justify their evaluation as inconsistent with " legal equality ".

There are other rules besides legal ones which regulate the behavior of members of a society. They are supplied by religious and ethical systems as well as by political ideals. In consequence of the influences which religion, ethics and political ideologies exert on the development of law and on each other, all four systems of rules of social behavior are often based on the same general principles. It is, therefore, not surprising that the " equality of states " is also a very widely accepted political ideal. Recently the *political* principle of equality of states was used as a powerful weapon by the German government [41] and found entrance into the Charter of the United Nations. While the political principle was described as " principle of equal rights " (of nations), the legal principle was separately referred to by the famous, although somewhat obscure, phrase of " sovereign equality ".[42]

The political principle of equality of states, particularly upheld by representatives of smaller states, contributes much to a greater similarity of contractual rights. The frequent refusal to sign agreements which provide for unequal rights, inconsistent with the political ideal of equality of states, has a definitely equalizing effect. Since both the political ideal and the legal principle of equality of states determine the behavior of members of the international society, it is not too surprising that both conceptions have been confusedly used by diplomatic documents and even legal instruments, as well as by writers.[43] But the different senses given to the term " equality of states " are not due exclusively to confusion, but very often to the ideological bias of the writer in question or to the varying

[41] Norman H. Baynes (ed.), *Speeches of Adolf Hitler, April 1922-August 1939* (London and New York, 1942), II, 1228, 1335, 1336, etc.

[42] Art. 1, § 2; Art. 2, § 1.

[43] Dickinson, *op. cit.*, p. 5.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

similarities of the individual rights of states in the different historical periods in the last two hundred and fifty to three hundred years.

We have already undertaken by a functional approach to separate the individual rights of states, which are equal, from those that differ. In addition, it would be useful to divide the numerous individual rights of states into groups and to examine which of them is more or less controlled by the principle of equality. In this sense, Dickinson's separate discussion of "equality before the law", "equal capacity for rights", and "political equality" has greatly contributed to the elucidation of a very confused subject.[44]

In contradistinction to a society in which individual rights are granted by grace of the ruling authority (privileges), every legal system consisting of general rules implies an element of equality, at least, of certain groups. But to apply here the term "equality of rights" would be tautological and historically incorrect. The term "equality of rights" was established in opposition to feudalism, which in a limited scope knew general rules and equality within a social class (equality of status). But the equality before the law, described by Dickinson as "equal protection of the law" which equally protects international persons "in the enjoyment of their rights" and equally compels them "to fulfill their obligations", does not exhaust the contents of the principle of legal equality in either municipal or international law. While equality before the law, as defined by Dickinson, may not be "inconsistent with the grouping of states into classes [for example, into great and small Powers] each of which the law regards differently",[45] the traditional conception of legal equality excludes such legal class differences among sovereign countries.[46]

Before we progress to the discussion of the second legal principle, which according to Dickinson is expressed by the principle

[44] Dickinson, *op. cit.*, pp. 305, 189 *et seq.*, 280 *et seq.*

[45] *Ibid.*, pp. 3, 104.

[46] See, for numerous constitutional provisions on legal equality which bear out this statement, International Labour Office, *Constitutional Provisions concerning Social and Economic Policy* (Montreal, 1944); for international law see Ernest Nys, James Lorimer, and T. H. Lawrence as quoted above.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of equality, that is, of the so-called " equality of the capacity of rights ",[47] it may be useful to keep in mind that in international as well as municipal law there exist two groups of *individual* (*subjective*) *rights*: those directly granted by the general rules of law and those acquired by contracts and other transactions, on the basis of law.

All individual rights and obligations, directly conferred on states by the general rules of international law, *are equal*, unless modified by contractual provisions. It would not be sufficient to say that the general rules are the same for all members of the international society or any other given society. Rules providing for privileged groups would still be the *same* for all members of a society, to be observed by them, even though not granting them equal rights.

The rights to diplomatic protection, inviolability of ambassadors, self-defense, reprisal, use of weapons in war, to occupy *terra nullius*, and so forth, are equal for all states unless modified by contracts. Furthermore, let us assume for a moment that we have no explicit principle of legal equality. In this case all the individual rights granted by general rules of international law would have to be enumerated and in each case it would have to be added that the particular right is possessed by all alike. For each new state, it would have to be established which individual rights and obligations, directly derived from general rules of international law, are applicable to the new member of the international society. Such somewhat clumsy procedure is made unnecessary by the principle of legal equality, which therefore is also useful from the expedient viewpoint of juristic technique.

The principle of legal equality is itself a general rule of international law. While from the term " sovereignty " may follow the equal *freedom* of all states from obligations as imposed by the general rules of international law unless modified by contracts or other acts creating legal obligations, the principle of legal equality includes this equal freedom from obligations and in a positive way determines that all individual rights directly granted by the general rules of international law should be equal.

[47] Dickinson, *op. cit.*, pp. 334, 335.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A very important group of individual rights, directly granted by law, make up the so-called capacity for rights which, if understood in the sense of the Roman law and of all legal systems based thereon, is divided into the capacity for rights in the narrower sense (or legal personality) and into capacity for action. By the latter one understands the capacity to act in such a manner as to produce a legal result (which includes torts). In a narrower sense, however, capacity of action means the capacity to conclude juristic acts,[48] which is also called capacity for transactions.[49] All individual rights of states as granted by law, that is, by the general rules of international law, are equal in regard to their capacity for rights (legal personality) and their capacity of action. Unless one includes contractual modifications, or even limitations of municipal constitutions, in the terms "capacity for rights" or "capacity of action", as Dickinson does,[50] unequal representation, voting and contribution in international organizations generally cannot affect the equal capacity of states for rights. In municipal law contractual restrictions, which are to some extent admissible, do not affect the equal capacity for rights of individuals as granted by law. It may, however, be conceded that in the sphere of international law there is some justification for combining contractual rights with those which are directly granted by the general rules of international law under the term "capacity for rights". But such a conception of "capacity for rights", which differs from the one having the same name in municipal law, is, of course, not equal for all states, because contractual rights of states—as has been shown—though similar, are not equal.

To sum up: The principle of legal equality is a general rule of international law providing that all individual rights of states *directly* derived from the general rules of international law are equal. All the other individual rights of the members of the international society are similar, though not equal, because an important condition of its efficient working requires the posses-

[48] Rudolph Sohm, *The Institutes* (Oxford, 1907), p. 216.

[49] Dickinson, *op. cit.*, p. 190.

[50] *Ibid.*, pp. 189 *et seq.*, 221 *et seq.*, 335.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sion of numerous *equal* contractual rights by all independent states.

The strength of the *political* ideal of the equality of states also contributes to the great similarity of individual rights and obligations of nations because it frequently prevents the contractual acceptance of unequal rights or enforces their revision.

The principle of *legal equality* forms, therefore, a *fundamental idea* which pervades the whole system of international contractual rights. The increasingly complicated nature of our international society requires, in addition to the numerous equal rights, a growing differentiation of contractual rights, particularly in the field of international organization. Such developments as weighted voting, unequal representation, and so on, are reconcilable with the principle of equality, as conceived above, unless they serve to establish the domination of one country by another.

The assumption of a legal superiority by the Great Powers would mean a grouping of the sovereign states into classes by the general rules of international law, which is inconsistent with both the conceptions of legal equality in international law and in municipal law. Despite some beginnings in the period before the Franco-Prussian War, such a legal development was prevented by the general interest of the members of the international society, including the Great Powers, in an efficient working of this society, depending on the possession of numerous equal (individual) rights by *all* independent states.

The decay of the European Concert before the First World War—a development which, as has been shown, conforms with the essential character of our international society — should warn contemporary statesmen and writers from drawing too hasty conclusions from the present position of the Great Powers in regard to the validity of the principle of the legal equality of states.[51]

ADOLF LANDE

NEW YORK CITY

[51] Paul Henri Spaak at the Plenary Meeting of the Paris Peace Conference on August 3, 1946, *New York Times*, August 4, 1946, p. 12.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

COMMENTS ON KEYNESIAN ECONOMICS

I

THERE is, or at least there was, a consensus that the nation should have a policy aimed at preventing mass unemployment — a consensus expressed in the Employment Act of 1946. Agreement as to goals is a necessary first step in formulating policies, but such agreements have little practical value if nobody can agree on what is to be done to attain the goals. The Employment Act declares that it is the federal government's responsibility to promote "maximum employment, production, and purchasing power," but the Act goes to considerable lengths to avoid committing the government to any specific course of action in the interests of economic stability. Of course such equivocation reflects to some extent the tactics of the obstructionists who ostensibly accept the end but oppose all the means. But it also reflects the fact that there does not now exist, either among the professional economists or among the public at large, an area of agreement sufficiently broad to serve as a basis for legislating specific employment policies.

The books being reviewed [1] exemplify the divergence of contemporary thought concerning the basic causes of mass unemployment and means of preventing it. They are a good study in contrasts because of their attitude toward Keynes—Professor Hayes's analysis is in the Keynesian mode while that of Drs. Swanson and Schmidt is essentially an anti-Keynesian polemic. In the reviewer's opinion, this orientation of the two books is inherently more interesting than the books themselves, and it therefore seems most fruitful to discuss them in connection with that orientation.

This is written in full recognition of the difficulty—considering the many directions in which Keynes's influence has extended, particularly

[1] *Spending, Saving, & Employment,* by H. Gordon Hayes. New York, Alfred A. Knopf, 1945. x, 259 pp. $3.00.

Economic Stagnation or Progress: A Critique of Recent Doctrines on the Mature Economy, Oversavings, and Deficit Spending, by Ernst W. Swanson and Emerson P. Schmidt. New York and London, McGraw-Hill Book Company, Inc., 1946. x, 212 pp. $2.50.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the influence of the viewpoint, methodology and colorful terminology of *The General Theory of Employment, Interest and Money* — of identifying a Keynesian school or labeling as Keynesian any but the most orthodox of Keynes's followers. Essentially, however, the analysis of the *General Theory* is concerned with the possibility of long-term economic stagnation. For such a condition orthodox economic theory —concerned with the problems of value and price, the allocation of resources, and the distribution of income—had only one explanation: if the economic system persistently fails to maintain what is conceived to be its "normal" condition of full employment, the reason must lie in rigidities of costs and prices which prevent the correction of structural maladjustments. Keynes, accepting for the purpose of his argument institutional rigidities—particularly rigid wage rates—as the *status in quo*, attempted with characteristic gusto to demolish the orthodox position by demonstrating the possibility of an "equilibrium" at less than full employment resulting from the operation of forces other than institutional rigidities.

It is part of the Keynesian argument (although not necessarily inherent in the theoretical structure) that wealthy capitalist economies are inherently subject to economic stagnation due to the tendency of people, at high levels of income and employment, to attempt to save too much relative to the demand for investment funds.[2] In saving too much they consume too little; this tends to check the demand for investment funds since it affects adversely the prospects for marketing the output of potential new capital goods. Conversely, the lower the aggregate income, relative to levels which the public considers normal, the greater the proportion thereof which will be spent for

[2] The demand for investment funds depends in part upon the rate of interest which in turn depends upon the public's liquidity preference (its desire for cash balances) and the supply of money. One of Keynes's major contributions was to point out that there is a minimum positive rate of interest below which potential lenders will not go to the trouble of lending—the rate which would prevail on riskless loans if there were no competition for funds. If the rate could be forced lower than this "minimum" (e.g., by subsidizing lending) the outlets for investment funds would increase accordingly.

In conventional economic theory, the supply of savings was assumed to be determined primarily by the level of interest rates which in turn limited the demand for investment funds. The effect of a plethora of savings, for example, would be to drive down the interest rate, which would increase the flow of investment and decrease the flow of savings until the two magnitudes were brought into balance. Keynes's familiar point is that the level of savings is determined primarily by the level of income, and that the amount which the public attempts to save is equated with the demand for investment funds through fluctuations in income, rather than fluctuations in interest rates.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

consumption and the less which will be saved; this accounts for the fact that income does not fall indefinitely. So economic activity will fluctuate around a "normal" or "equilibrium" level of underemployment.[3]

This is the mature-economy thesis, and while the underconsumption oversavings approach has been utilized by successive generations of heretics to explain periods of economic stagnation, Keynes was the first economist since Marx to create a theoretical formulation sufficiently precise to command general attention and broad support. It is sometimes forgotten, moreover, that the British economy had been depressed during the 1920's as well as during the 1930's so that to an Englishman writing in 1935 a condition of perennial underemployment appeared to be the "normal" state of the contemporary institutional structure. Influenced by the *General Theory*, many American economists, with much less empirical justification, applied the maturity-stagnation thesis to the American economy, explaining the depth and duration of the great depression on the grounds that America, having built up its capital equipment and population and having exploited its new territory, had achieved economic maturity and in the absence of drastic institutional readjustments could no longer continuously provide investment outlets sufficient to absorb the flow of savings consistent with high levels of income and employment. (The general analysis applies, of course, only to wealthy capitalist economies of which the United States is presently the only surviving example.)

The term "Keynesian", construed narrowly, applies to some such viewpoint, which emphasizes the saving-investment analysis and places little stress on such factors as monopolistic and other rigidities. Probably few economists now would admit to being Keynesians, in this narrow sense of the term.[4]

The important impact of the Keynesian analysis, however, stems from the demonstration that the "normal" state of the capitalist economy is not necessarily equilibrium at full employment and that there is no reason to expect the economy quickly and efficiently to adjust to disturbances and cure itself of unemployment. This view is probably

[3] Keynes said that the outstanding feature of our actual experience is that "we oscillate, avoiding the gravest extremes of fluctuation in employment and prices in both directions, round an intermediate position appreciably below full employment and appreciably above the minimum employment a decline below which would endanger life." *General Theory*, p. 254.

[4] Marx is said to have remarked on one occasion, "*Je ne suis pas Marxist*", and there is some question as to whether Keynes, were he now alive, would be a Keynesian.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

what is ordinarily implied by the terms "Keynesian", used in the broad sense, and "neo-Keynesian".

II

Professor Hayes, to judge from the discussion in *Spending, Saving, & Employment*, is pretty much a Keynesian in the narrow sense, being convinced that the disproportion between savings and consumption was the basic cause of the depression in the 1930's and that it inevitably will produce another collapse followed by prolonged stagnation. He holds, furthermore, that such a disproportion has perennially characterized the American economy in peacetime, so that periods of high peacetime prosperity have been both rare and brief. This accords with the view expressed in the *General Theory*.[5] But Hayes goes beyond the Keynesian position in several respects. First, he takes an uncompromising stand with the more radical underconsumption school which maintains that investment decisions depend almost entirely on current or prospective consumption and denies any significant rôle to "spontaneous" investment. The obvious conclusion of this line of reasoning is that employment measures aimed primarily at increasing investment will be futile and that increasing consumption is the *sine qua non* of any successful employment program.[6]

Hayes goes beyond the conventional Keynesian position in another direction. He maintains that a defect inherent in the mechanism of the investment process makes uninvested savings inevitable. Briefly, the argument leading to this conclusion is as follows: Persons who save and lend to finance new capital equipment are responsible "in terms of strict production theory" for the incremental output made possible by the new equipment. Moreover it is claimed (if this writer understands the argument correctly) that the savers-lenders actually receive purchasing power from their loans equivalent to the cost-of-production value of the incremental output, that is, the savers-lenders get all the purchasing power created by the incremental production due to the new capital equipment. Assuming that the new output consists entirely of consumption goods, the savers-lenders will have to spend all their new income for consumption if the aggregate supply of consumption goods is to be taken off the market at cost-of-pro-

[5] *Cf.* chapters 22-23.

[6] See *Spending, Saving, & Employment*, chapter vi. Keynes remarks, "Practically, I only differ from these under-consumption schools of thought in thinking that they may lay a little too much emphasis on increased consumption at a time when there is still much social advantage to be obtained from increased investment." *General Theory*, p. 325.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

duction prices.[7] But (according to Hayes) savers, lured by the magic of compound interest, attempt to save rather than consume their incremental investment income and thus consumer goods are likely to go unpurchased.[8]

Unfortunately, the general underconsumption argument gains nothing by this analysis, which is based on a misinterpretation of productivity theory. In the first place, the claim is not true that "in terms of strict productivity theory" the savers-lenders "produce" the incremental output made possible by new capital formation and thereby receive the money value of such output. Following conventional marginal productivity analysis, one would expect the marginal productivity of labor, and thereby the wages of labor, to increase as the ratio of capital to labor increases, while the marginal productivity of capital should fall.[9] In the second place, the curious assumption that people save only to save again would seem to preclude the possibility of a *rentier* class.

With respect to monopoly, pre-Keynesian orthodoxy has gotten at least its nose in the Keynesian tent, since a considerable part of the explanation for the inadequacy of investment and for the concentration of income responsible for the low propensity to consume can be found in monopolistic restrictions and monopoly profits. There is now a tendency to stress these aspects of monopoly, particularly since there is still much question about the significance for employment of wage and price rigidities per se.[10]

[7] Or, assuming only a fraction of the new output to be consumption goods, the savers-lenders would have to spend for consumption a corresponding fraction of their increased income.

[8] Hayes's position is thus somewhat similar to that of Foster and Catchings, Major Douglas, and various others who have held that the mechanical operation of the market does not release enough purchasing power to buy the economy's output at cost-of-production prices.

[9] Professor Hicks has pointed out, however, that under certain conditions an invention may be "labor-saving" in the sense that it increases the marginal product of capital relative to labor; the effect of introducing such an invention will be to reduce labor's relative share, and possibly its absolute share, of the national dividend. See J. R. Hicks, *The Theory of Wages* (London, 1932), chapter 6. It would be only under very special and very unlikely conditions, however, that lenders of investment funds would receive an income equivalent to the cost-of-production value of the incremental product.

[10] See, for example, Moses Abramovitz, "Savings and Investment: Profits vs. Prosperity", *American Economic Review Supplement*, June 1942. For a defense of monopolistic rigidities by two economists holding divergent views of Keynesian economics, see K. E. Boulding, "In Defense of Monopoly", *Quarterly Journal of Economics*, August 1945; and J. A. Schumpeter, *Capitalism, Socialism, and Democracy* (New York and London, 1942), chapter 8.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Professor Hayes, however, mentions monopoly only tangentially as when he comes to making recommendations he mentions decreasing profits by "curtailing monopoly and otherwise encouraging price competition.[11] Later, however, he reneges even on this by pointing out that "to hold a constant threat over the heads of business men cannot put them in a mood to expand their undertakings." [12]

III

The opening salvo of Drs. Swanson and Schmidt leaves no question of their position vis-à-vis Keynesian doctrine. They say, "The decade of the 1930's was unparalleled in two respects. It gave us the worst depression on record and it brought a world of Keynesian ideas! Which crisis led to the greatest difficulties it is not easy to say." [13]

The point of departure is implicit in the assertion that "The adaptability of a free society is so great, providing flexibility of prices, costs, and interest rates is permitted, that a constant process of readjustment freely permitted will always tend to restore the essential conditions for economic progress and full employment." [14]

This is more than a hypothesis, of course. It is a prime article of the high conservative credo, from which any dissent can be only rank heresy, especially since doubt as to the automatism of the economic readjustment process implies a need for planning to insure full employment with reasonable stability of the general price level. Keynes, more than anyone else, is responsible for discrediting this doctrine of the invisible hand, which doubtless accounts for the anathema pronounced by the extreme conservatives on all things Keynesian.[15]

The authors interpret the Keynesian analysis as leading to a conclusion of the inevitability of economic stagnation and represent "Keynesians and neo-Keynesians" as placing major emphasis upon sustained deficit spending as a panacea. Their polemic is conducted on two levels. First, they are against the school which, holding that inadequate aggregate demand is the root of all ailments and that it will be perennially with us, would attempt a solution by pumping money into the economy. Here the authors are on reasonably safe ground

[11] *Op. cit.*, p. 197.

[12] *Ibid.*, p. 199.

[13] *Economic Stagnation or Progress*, p. 1.

[14] *Ibid.*, p. 197.

[15] For a fuller development of this view see D. M. Wright, "The Future of Keynesian Economics", *American Economic Review*, June 1945.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

but since few economists, Keynesian or otherwise, would take such a position their argument is directed largely against a straw man.

On the second level, the polemic attacks those who follow Keynes to the extent of repudiating the doctrine of the invisible hand which guides us along the path of full employment. Here the argument is much less tenable but, since its represents the viewpoint of a large and influential section of conservative opinion, its importance transcends its intrinsic merit and hence is worth examining.

A large red herring which makes an early appearance is the proposition that the real issue between the "Keynesians" and the "traditionalists" narrows down to the "clash between progress and security." This raises a question of what is progress, since many would probably say that attaining greater security is progress.

According to the authors, economic progress, "viewed as a rational process, is the growth of capital . . . ." [16] This will seem an arid concept to those who hold that it is more "rational" to identify economic progress with increasing economic welfare and who agree with Pigou and others that, consistent with preferences as to basic economic and political institutions, economic welfare is to be increased by increasing the real national income (through both capital growth and more effective utilization of existing resources), achieving greater equality of income distribution and minimal living standards, and so on.

But even accepting the authors' definition of progress there is little justification for saying that the "Keynesians" reject progress in favor of security. Many "Keynesians" probably would say that without reasonable security there can be little progress. It frequently has been pointed out that many of the restrictions imposed by both capital and labor, which Swanson and Schmidt condemn for having impeded progress and readjustment, have arisen out of the effort on the part of business and labor groups to obtain security against deflation and unemployment which was not provided by the society as a whole.

Another fallacy which creeps into the argument is the assumption that in the short run consumption can be increased only at the expense of capital formation. This, of course, holds only if the economy's resources are already fully employed. Historically, as anyone knows who has ever glanced at a breakdown of national income figures, increases in capital formation, save in wartime, have always been associated with increases in consumption.

In attacking the Keynesian analysis, the authors question the likelihood of a tendency toward excess saving, holding that the Keynesians

[16] *Ibid.*, p. 8.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

have as the foundation of their beliefs a "supposedly continuous aberration of human behavior," which in simple terms is the idea that the level of savings is largely independent of the rate of interest. Since the authors' only support of the contrary view is an appeal to the "traditional" school and their own ideas of "rational" behavior, their case is unlikely to gain many new converts. It is probably safe to say that few propositions in economics are less defensible, on either a priori or empirical grounds, than that which makes saving an increasing function of the interest rate.

The authors then attack the hypothesis that investment outlets have declined, relative to the growth of the economy as a whole, because of the lack of new exploitable territory and the declining rate of population growth. In criticizing this aspect of the maturity-stagnation thesis, they are again on safer ground, it seems to this reviewer, particularly in attributing to monopolistic restrictions many of the obstacles which have blocked investment. About all that can be said for the hypothesis of declining investment outlets is that the hypothesis would help account for economic stagnation once it was established that the American economy in the twentieth century is more prone to stagnation than it was in the nineteenth. This remains to be demonstrated. The hypothesis does not afford a sound basis for predicting future trends, since the war has brought about such tremendous institutional changes—for example, in the level of government expenditures, in foreign commitments and in technology—that past experience affords no reliable clue to the future.

IV

In the last analysis, however, it is probable that most economists, including the neo-Keynesians and the conservative school represented by Drs. Swanson and Schmidt, do not believe that the American economy with its present institutional structure can maintain for long high-level income and employment. This gloomy prognosis may not be correct, but assuming it is correct remedial measures are clearly in order. The chief differences between the neo-Keynesians and the conservatives concern the nature and extent of the institutional changes they believe necessary to insure a reasonable degree of stability.

The programs of Professor Hayes and Drs. Swanson and Schmidt derive directly from their premises. Hayes believes the foremost need is to increase the propensity to consume through such measures as greater emphasis on progressive taxes, raising and stabilizing wages, extension of social insurance, and so on. (The ambivalence of some of these measures vis-à-vis private investment is recognized, and cor-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

poration tax reform and low interest rates are suggested to encourage investment.) Hayes does not think it likely that income distribution in the near future can be adjusted sufficiently to insure that attempted savings will not outrun investment outlets at high levels of income and employment,[17] and advocates a long-term program of government investment, presumably financed by taxes and revenues from self-liquidating projects, to fill the gap. Sudden deflations would be checked by pumping money into the economy, but it is emphasized that this is only a stopgap solution and that making the economy self-functioning requires that consumpton and savings be brought into balance. It is significant that Hayes does not touch upon the question of monopolistic rigidities and that his position on monopoly control is distinctly equivocal.

The Swanson-Schmidt program, of course, is directed at the unshackling of the invisible hand. This requires a "workable and effective monopoly program" which should attack restrictive practices "more in the light of how they prevent economic expansion"; modification of price-maintenance laws and other legislation which have promoted restrictive practices; enlightened collective bargaining; revision of patent law and practices; restoration of a free market for agricultural products; tariff reform and restoration of free world trade. Sudden deflations would be checked by pumping money into the economy but it is emphasized that this is only a stopgap solution and that making the economy self-functioning requires the eradication of rigidities. Under such conditions, the authors are confident that the market mechanism would bring about the proper balance between savings and consumption.

Two final comments seem in order. First, probably most economists agree that restrictions and income concentration resulting from industrial and labor monopolies have gravely exacerbated economic instability and unemployment. The question is, what to do about it, considering that many monopolistic practices are the most staunchly defended prerogatives of "free enterprise". While it may be admitted that many restrictions have arisen out of the efforts of groups to defend their members against general deflation and unemployment, there is no reason to think that these restrictions would soon disappear if the society undertook to guarantee high-level employment and income. The cultural lag may be of many generations.

[17] He does not consider the possible implications of the increased level of government spending nor the probability of a permanent upward shift, compared to the 1930's, of the propensity to consume.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This leads to the second point: that the most serious blind spot of economists as a group lies in their stubborn refusal to take cognizance of the political institutions and environment in which their plans must work. When Drs. Schmidt and Swanson plead for an economy in which the readjustment process would be allowed to work out uninhibited by "man and his organizations" they refute by implication Marshall's definition of economics as the study of mankind in the ordinary business of life. The Keynesian economics represented a considerable advance in being grounded on at least a partial recognition of institutional realities, but it was roundly denounced by the purists for knuckling under.

The process of planning *in vacuo* in the hope that the political forces and environment necessary for the adoption of plans will be conjured out of nowhere, perhaps by the invisible hand, recalls the famous passage from *Henry the Fourth* (first part) where Glendower boasts,

> "I can call spirits from the vasty deep."

To this Hotspur replies,

> "Why, so can I, or so can any man;
> "But will they come when you do call for them?"

LYLE C. FITCH

WESLEYAN UNIVERSITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

REVIEWS

The Theory of Human Culture. By JAMES FEIBLEMAN. New York, Duell, Sloan & Pearce, Inc., 1946.—xiv, 361 pp. $5.00.

When a philosopher concerned with values and the theory of democracy steps aside to examine anthropological data, and builds from those data a generalized theory of culture, the anthropologists must pay attention. This book has a certain importance as a sign of the times. It is, however, difficult to evaluate, partly owing to the author's lack of precision in the expression of his own ideas, his roughness in the handling of both anthropological data and the abstractions which previous workers have derived; partly, also, owing to the inherent difficulty of his subject. In spite of these difficulties, however, the book contains two positive contributions.

Feibleman is concerned with that difficult order of abstraction for which other workers have groped, and the rival abstractions, previously derived, range from *Weltanschauung* through Benedict's " configurations " and Bateson's " ethos " and " eidos " to Kardiner's " basic personality structure ". Feibleman's thesis is that from any culture we can isolate a central core of notions which he calls the *implicit dominant ontology* and this is his first positive contribution. Previous workers have ascribed analogous abstractions to standardized character structure, to the system of values, and even to the postural set. Feibleman now adds a new method of approach by which we may seek to put salt on the tail of these elusive regularities. He assumes that there is a theory of being, specific to each culture, implicit (or partly explicit) in the words and acts of those who participate in the culture. This implicit dominant ontology has two subsidiary aspects: the ethos—its " coloring "—and the " common sense ", each of them specific to the culture.

Here our difficulties begin. It is, in any case, as difficult to define an ontology as to define a character structure or a configuration, and the difficulties are enormously increased by Feibleman's addiction to the fallacy of misplaced concreteness. He repeatedly overlooks the fact that his abstractions are artifacts derived by the scientist from the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

whole mass of his data on the given culture—that, in fact, the data have at best a logical relation to the abstractions and method is contravened whenever the abstractions are handled as "causes". The implicit ontology is "dominant" (p. 22). "The ethos is every bit as important as the eidos (sc. 'common sense'), though perhaps sometimes induced by it in the temporal order" (p. 76). "The principles which in systematic form go to make up the implicit dominant ontology are not only the first articles of faith; they are also the premises of all feeling, thought and action." In this second quotation, we see the entering edge of fallacy: the logical relationships derived by the scientist are ascribed causal efficacy when they are projected into the native "psyche". And the matter becomes still more complex when the methodological abstractions of the scientist are equated with high and low "levels" of the "psyche" and "soma" (p. 32).

Feibleman's cavalier treatment of abstractions may also be illustrated by his handling of the abstractions of other workers. Benedict, for example, has always been careful to take no premature short cuts, but Feibleman brushes aside her gentle metaphorical handling of complex heuristic notions and presses them roughly into his own mould. "She says that the members of these extremely diverse cultures have different goals and are oriented in different directions, that they have different cultural intentions. What else could this mean? What could the purpose, the mainspring, the systematizing force, the cultural intentions, be other than a fundamental belief concerning reality?" (p. 79). We can only say that these abstractions might "be" many other things and are perhaps not all identical.

In the second half of the book, Feibleman takes data from various cultures and shows how he would analyze these data according to his theory. We may here consider his analysis of the Baiga, a "primitive" tribe in southern India described by Elwin. The author lists the postulates of the implicit dominant ontology of the Baiga, and from these derives "theorems", and here it is possible that Feibleman makes his second important contribution—in refusing to state either the postulates or the theorems in propositional form. For each we have a non-syntactic heading: postulate 1, "The geologic earth as the principal object of worship"; postulate 2, "The positive acceptance of the immediate conditions of existence"; postulate 3, "The inclusiveness of, and intimacy with, the Baiga deities"; postulate 4, "The basic role of freedom in social life". Each of these headings is amplified by about a page of generalized description, but the actual postulate is still not categorically stated. From these four postulates, the author proceeds

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to theorems: theorem a, "The practice of shifting cultivation as the tribal cult" (by postulates 1 and 2); theorem b, "Death as an unnatural and exceptional occurrence" (by postulates 2 and 4); theorem c, "Magic as an all-powerful control" (by postulates 2 and 3); theorem d, "The forest as the symbol of freedom" (by postulates 1 and 4). Here again, the theorems are illustrated by generalized descriptive material, but are not categorically stated.

At first sight this curious procedure might shock the reader, but it is, perhaps, the most interesting feature of the book. In the analysis of cultural data—as in psychoanalysis—we repeatedly are confronted by superficial contradictions, outward signs of inward ambivalence, compensatory acts which negate an inner feeling, reversals in value with excess of the commodity, masochisms and self-denials. It is as if the importance of some entity or value remained unchanged, while the sign of the related behavior were subject to unpredictable reversal. If Feibleman works on from his unstated postulates to a mapping of implicit ontology which would locate the psychic watersheds of maximum importance in the culture, he might make an important advance.

If he wants the anthropologists to pay attention, however, he must avoid saying, "It would require more space than is here available to list the rules for behavior between various *jat*, the totemic system, and the rules of kinship. They resemble the usual primitive systems."

In dealing with English culture, Feibleman draws a sympathetic picture which is, alas, so generalized as hardly to constitute a test of the theory.

In conclusion, it is perhaps appropriate to mention the problems of communication raised by Feibleman's book. Anthropologists have managed to communicate to this philosopher the idea that the comparative study of culture may afford clues to the problems of human value and progress, but they have failed to communicate the rules: that theoretical conclusions can be derived only from the fine intricacy of raw, first-hand, and preferably verbatim data, and that what the informant says is not usually to be regarded as an objective statement. The mythology and history of England provide anthropological data only on the narrators and consumers, not on the events narrated. Anthropologists, in this case, have communicated optimism but failed to communicate discipline.

GREGORY BATESON

NEW YORK CITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Science and Freedom. By LYMAN BRYSON. New York, Columbia University Press, 1947.—xi, 191 pp. $2.75.

This book is a statement of what its author calls "scientific humanism". "The thesis is that science can be used as one of the tools by which to establish the conditions in which human powers may realize human values. In order to come closer to the fact, I choose a value, freedom, postulating that freedom is a good and describing the conditions in which freedom can be made real" (p. vii). Accordingly the first chapter is devoted to defining freedom: "the social conditions in which there are enough normal choices of behavior patterns open to every person to allow for experiment, and change, and diversity, both in the successive experiences of individual persons and also among different persons in the group" (p. 3). That freedom is a value, though not the only value and perhaps not a supreme value, is said to be "postulated" and not therefore to be subject to proof or disproof. From this point on the book develops the concept of "social engineering", the management or manipulation of human behavior, by means of scientific generalizations about psychology and social relationships, in order to achieve the postulated value. "I agree with those, now growing slowly in number and authority, who believe that the behavior of men, in all cultures and at all times, has uniformities that can be scientifically described. They can be manipulated and controlled as we control other natural phenomena by similar investigations and similar engineering skills" (p. 7). In point of fact neither the concrete meaning of freedom in any specific relationship nor the procedure by which the social engineer is to manipulate the patterns of human habit is described. Mr. Bryson's remarks on such topics as social change, culture, personality and education move on a level of high abstraction and reach no very definite conclusions about what a "manipulated" human nature and society might be like. Possibly this is so intended; the purpose is to convince people with moral reservations about manipulating other people that the thing can, indeed must, be done and that when it is done the results will be good.

To the reviewer this seems to miss the point, or rather, like the pragmatism from which Mr. Bryson's philosophy grows, to be badly "dated". No doubt there was a time when even scientists needed to be told that human beings and their behavior were natural phenomena about which confirmable generalizations could be made. But it is not likely that any psychiatrist or sociologist doubts it today. Even the man in the street who watches the advertising campaigns must be vaguely aware that human nature is manipulated and possibly he may

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

even have thought that the Nazi propaganda machine was one of the largest, and for a time at least one of the most successful, experiments in political engineering ever attempted. To be sure, Mr. Bryson assures his readers that Hitler was "not, in our meaning of the term, a social engineer", because he made no change whatever in "the German domination ideal" (pp. 115-16). It is hard to tell when a change is not a change, or which manipulator is an engineer and which is not, but that human nature *can* be manipulated needs in these days no proof. What one would rather know is who takes the moral responsibility for manipulating it and for what purposes. Mr. Bryson "postulates" freedom as the purpose, but it is in the nature of postulates that they are many and within limits can be chosen at will. Social engineering is a quite possible consequence of advancing medical, psychiatric and sociological knowledge, though Mr. Bryson makes it out to be easier than it is. But the plain fact is that engineering knowledge can be used for any purpose, good, bad or indifferent, that is not incompatible with its materials, and social engineering, when and if it becomes possible, can be too.

The truth is that Mr. Bryson, like Professor Dewey, plays fast and loose with the idea of moral postulates. What he really holds, I think, is an optimistic democratic faith that freedom is somehow inherent in the notion of culture itself. For him "all cultural activity is engineering", "freedom is the natural purpose of cultural behavior", and "we can discuss culture as a pattern of social engineering activities which have as their purpose the realization of liberty in the actual lives of persons" (pp. 72-75). "Democracy is a more developed form of culture than any autocratic system" (p. 75). If all these propositions could be scientifically supported there would be no reason why freedom should be merely "postulated". But on the other hand it is impossible to suppose that any of them could be established by a science that is purely operational and value-free. "The good", Mr. Bryson says in another place, "is what perpetuates itself and what perpetuates itself is good" (p. 176). And since good perpetuates itself, and freedom is the "natural" purpose of culture, and all culture is engineering, it is clear that democracy is safe in the best of all possible worlds. For a philosophy that is strictly "operational" and has put away the "absolutes" that bemused our grandfathers this seems a considerable venture in pre-operational metaphysics. It may be good metaphysics but there is, or ought to be, such a thing as intellectual responsibility even for acts of faith.

GEORGE H. SABINE

CORNELL UNIVERSITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Myth of the State. By ERNST CASSIRER. New Haven, Yale University Press, London, Oxford University Press, 1946.—xii, 303 pp. $3.75.

The book by the late Ernst Cassirer is in a sense a great disappointment, due primarily to the lack of integration among the three major chapters but also to the purely ideological character of the treatment of the problem. The three parts are "What is Myth?", "The Struggle Against Myth in the History of Political Theory" and "The Myth of the Twentieth Century".

The term "myth" is defined in a manner quite different from the definition in the most recent work on the theory of the state, R. M. MacIver's *Web of Government*. For MacIver, the term is, so to speak, a polemical one. It is used to delimit the thought structures, no matter what their content and functions, from the techniques. It is thus an all-encompassing term. Not so for Cassirer. Myth is sharply contrasted with logical process and is held to be dangerous to mankind. In attempting to define the structure of mythical thought, Cassirer rejects both the doctrine of Frazer and Tylor on the one hand and those of Lévy-Bruhl on the other. While rejecting Tylor's conception of the savage philosopher, Cassirer holds that mythical thought definitely expresses "the same desire of human nature to come to terms with reality" that characterizes "the logical age". While the contents are radically different the "processes themselves are very similar." What then is the rôle of myth in man's social life? Myth is remote from reality and is "in flagrant contradiction to it," yet it has a certain "objective" aspect. While linguistic symbolism leads "to an objectification of sense-impressions, mythical symbolism leads to an objectification of feelings"; but not of man's individual, only of his collective, experiences. Myth then is, in the prelogical period, the means by which mankind adjusts itself to a strange outer world. The images created by myth are not known as images, they are regarded as realities. Wherever, however, primitive societies understand nature and possess effective techniques for dealing with it they do not resort to myths.

The analysis is convincing to the reviewer. It is sober and clear and yet it will be shown that it is not used for the book's thesis.

The second part of the book is devoted to an analysis of the fight against myth in political theory. It is an *Ideengeschichte* with all the pleasures and all the deficiencies derived from a mere intellectual history. It does not add much to our knowledge, nor does it bring a complete survey of political theories in their attitude to the myths.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Cassirer's concern is to develop the continuity of the struggle against myth and to demonstrate the link between Greek thinkers, the particular rôle of Plato, the medieval conception of Thomism—as against Augustinianism—which used reason to cement the religious belief. Much space is justly devoted to the rôle of Machiavelli. In Cassirer's opinion Machiavelli did for politics what Galileo did for the science of nature: he discovered the laws of the modern secular state. Machiavelli thus opens "the gateway of the modern world . . . . The state is entirely independent, but at the same time it is completely isolated." Yet Machiavelli did not triumph at once. With the exception of Hobbes, all political thinkers (Grotius, Pufendorf, Rousseau, Locke) looked upon the state as a means but not as an end. Only when the theory of natural rights collapsed did Machiavelli's hour come. A short discussion of the natural right theories and of the enlightenment and its romantic critics concludes the second part of the book.

Clearly, this whole part is unsatisfactory. One can admire each individual chapter, especially the discussions of Plato and Machiavelli; but neither is the story of political theory adequately presented nor is there an intrinsic connection between the two parts of the book.

If, according to Cassirer, theory is to attempt to explain man's endeavor to understand the world, the world presents different problems in different periods. These problems are not intellectual problems but problems of social reality which are translated into intellectual problems. If the problems are not understood by man or if, as frequently happens, man is deliberately prevented from understanding them, he may indeed resort to the myths, to the "objectification" of symbols. Consequently, no survey of political theory that centers on these problems can be termed adequate that does not discuss those philosophers who actually discuss the problems in the very setting that Cassirer emphasizes; to mention but a few: Averroism in the Middle Ages; philosophic materialism in the eighteenth century; and dialectical materialism in the nineteenth and twentieth centuries. None of these is mentioned.

These omissions make themselves fully felt in the last part of the book, "The Myth of the Twentieth Century". Here Cassirer treats only Carlyle (the doctrine of hero worship), Gobineau (the doctrine of race worship), and Hegel. The analysis of Carlyle is again brilliant, much in agreement with Ernest Barker's short and precise study; the Gobineau analysis is quite familiar; the discussion of Hegel points correctly to the fact that Hegel's theory is a "watershed", that it marks

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the "turning point between two ages" yet fails to show clearly in what this division actually consists. Cassirer, though he treats Hegel as a conservative political thinker, points correctly to the incompatibility of Hegel and Nazism.

In a final chapter, "The Techniques of Modern Political Myths" are discussed. According to Cassirer, there is nothing new in the myths of today. Carlyle and Gobineau have supplied the contents; the technique only is new. This consists in the deliberate creation of myths. This interpretation again is quite true and has been stressed before. But it is necessary to answer the question why this should be so. This answer Cassirer cannot give because his approach is a purely ideological one in which the forces of darkness occasionally overpower the forces of light.

The title of the book is *The Myth of the State*. Yet the two thinkers (Carlyle and Gobineau) who, according to Cassirer, were most influential in creating the modern myth did not create a myth of the state. Nor did Nazism preach the myth to the state. On the contrary, the state was used in the Nazi doctrine and practice merely as an instrument of the "Movement" (that is, the Nazi Party) for the purpose of promoting the welfare of the "racial people", both of which were incarnated in the Leader. Hegel, who identified morality and the state, had practically no influence on Nazism and, stupid as Alfred Rosenberg may have been, he shrewdly recognized this incompatibility and, just as the Prussian King before him, determined to drive Hegel from Germany. Carl Schmitt, the famous Nazi constitutional theorist, has thus correctly stated that Hegel died in Germany on January 30, 1933. How then does the "Myth of the State" enter into the modern myth? And what really is the "myth of the state"?

The state is, of course, a reality and not a myth. It exists and expands and encompasses ever more activities. But liberalism, democracy, bolshevism, Nazism—all consider the state merely as an "instrument" for the attainment of their goals. The aims differ as do the conceptions of the structure of the state which are considered necessary to help reach the goal.

To liberalism, the state is a means of promoting the rights of the individuals; to democracy, the agent to guard the interests of the nation; to bolshevism, the apparatus for realizing the dictatorship of the proletariat under the guidance of its vanguard; for Nazism, one among other instruments for the welfare of the racial people under the leadership of the party. Put in such terms, the problem as formulated

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and presented by Cassirer does not exist. There remain really but a few doctrines in which the state becomes more than an instrument (Epicurus, Hobbes, Machiavelli, Hegel) and these very doctrines are not characteristic of the "myth".

The problem as presented by Cassirer is thus a sham problem. The real problem which follows directly from Cassirer's first chapter consists in the analysis of those conditions that make it impossible for man to understand reality.

The objectification of the state may, indeed, even within Cassirer's frame of reference, be actually a progressive answer; it may indeed be more "logical" and "reasonable" to accept the state as an incarnation of highest morality than to adopt doctrines of hero worship and racialism. This was certainly true under Nazism when those siding with the state against the party and its Leader, though by no means the keepers of truth, at least possessed a fraction of reason.

FRANZ L. NEUMANN

COLUMBIA UNIVERSITY

The Presidents and the Press. By JAMES E. POLLARD. New York, The Macmillan Company, 1947.—xiii, 866 pp. $5.00.

President and Congress. By WILFRED E. BINKLEY. New York, Alfred A. Knopf, 1947.—viii, 312, vii pp. $4.00.

These two books treat different aspects of the presidency: in one case relationships with the press; in the other, relationships with Congress. The student of political institutions will not be surprised that the successful practitioner turns out to be the same in both instances. Presidents who have enjoyed notable success in gaining Congressional coöperation have also succeeded in establishing a satisfactory working relationship with the press.

Professor Pollard treats each President individually, describing the conditions surrounding his accession to office, analyzing his conception of his office, his experience with the press and his contribution, if any, toward the development of a more effective relationship. Among the Presidents most successful in this respect, he lists Jackson, Lincoln, the two Roosevelts and Wilson.

Some notable innovations have been made by the various Presidents in their press relationships. Jefferson was the first to have an official administration organ, financed through public funds. This practice

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

passed out of existence after Buchanan because Lincoln, who "showed more skill and acumen than any previous President," felt that it had become obsolete. Jackson, who surpassed all in his effective use of the press for partisan purposes, was the first to adopt a deliberate policy of appointing newspaper men to public office. Cleveland established a precedent by exposing himself to daily cross-examinations by the press during the period preceding his inauguaration in 1885. The practice was discontinued after his inauguration, but he continued to hold occasional press conferences throughout his administration. During McKinley's administration, daily press sessions with his secretary contained the germ of the regular White House press conference which was established on a formal twice-a-week basis by Wilson.

This study brings out as no previous work has done the heavy burden which the American version of freedom of the press imposes upon a President. From Washington to Truman, the President has had to contend with such troublesome problems as misrepresentation, premature disclosure, violation of confidence, invasion of personal and family privacy, and outright calumny.

Pollard suggests that even those Presidents most successful in their press relationships have not fully understood and appreciated the rôle of the press in this country. The press believes that it has the responsibility not only to report what has happened but also to anticipate what may happen and speculate upon its significance. This conception of his function frequently leads the reporter into areas which the President may not wish to discuss or have discussed. The inevitable result is misunderstanding, suspicion and mutual distrust.

Professor Pollard has put all students of American political institutions under obligation to him by his meticulous, detailed, heavily documented study. He has assembled an impressive body of factual material which reveals aspects of presidential development heretofore insufficiently appreciated. Yet his method has certain shortcomings. By the very fact that he concentrates upon the comparatively narrow problem of press relationships, with chief emphasis upon the treatment received by each President, attention tends to focus upon personal incidents rather than upon the major issues. One gets little sense of the course of events marking each administration. His frequent use of quotations, often fragmentary in character, sometimes blurs his emphasis by obscuring the main thread of thought. These are minor matters, however, for the book as a whole represents a valuable addition to the literature on the President.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Professor Binkley's *President and Congress* is a revision of his excellent *Powers of the President*, which for a decade has been recognized as one of the standard works on the Chief Executive. Although he has amplified some chapters and added new material to cover the period since the book first appeared, the major portion of his original work remains unchanged. The book is filled with insights and observations that more than justify careful rereading. In a period such as the present, which may well mark the end of one era and the beginning of another, some of the experiences of the past seem to have particular relevance.

During the 1820's Binkley notes that a direct relationship existed between the virtual extinction of the two-party system and the decline of the presidency. Moreover, for a quarter of a century spanning the administrations of Jefferson, Madison and Monroe, the custom of promoting the Secretary of State to the presidency gained currency. These two practices, enduring long enough to approach tradition, would, if continued, have had a profound effect upon the American constitutional system. But with the appearance of Jackson an entirely new trend of political development occurred. Party vitality was restored and the executive branch of the government was shown to possess potentialities previously undivined. Yet Jackson by no means discovered the full possibilities of his office; Lincoln found still greater powers, and the Roosevelts and Wilson each in turn demonstrated that the dynamic qualities of the office had not been exhausted.

The point that a simultaneous reading of these two books underlines is the persistent correlation between success with the press and success with Congress. The reason for this parallelism is clear enough. Our governmental system is peculiarly sensitive to factors which lie outside the realm of mechanical force or mathematical formulae. Techniques of persuasion, no matter how skillfully devised or meticulously applied, do not necessarily ensure successful presidential leadership. The centrifugal forces within Congress are too strongly entrenched to yield unless the President can throw into the struggle extra strength. This strength is not an automatic attribute of his office, but if he can master the combination, he can draw upon the great reservoir of public opinion to gain his point. Regardless of party, the Chief Executive who succeeds in striking a responsive chord with the people magnifies his influence manyfold and discovers in his office sources of power which the ordinary President simply cannot utilize.

LAWRENCE H. CHAMBERLAIN

COLUMBIA UNIVERSITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Congress at the Crossroads. By GEORGE B. GALLOWAY. New York, Thomas Y. Crowell Company, 1946.—viii, 374 pp. $3.50.

This book is a challenge to Congress and the American people to stop what the author characterizes as the trend toward presidential government which threatens to convert our national legislature into "a mere ceremonial appendix to bureaucracy" (p. v). But it is more than a wail of despair at the decline in prestige of legislative institutions in the federal government. It is a restatement of the importance of Congress in American representative democracy; an exhaustive survey of the functions, structure, work load, and detailed machinery of Congress; a review of Congressional reorganizations in the past; and a series of specific and thoughtful proposals for improving and modernizing Congress and fitting it to take its appropriate place in the complex pattern of present-day American government.

As a compendious collection of facts and ideas about the national legislature, it is probably the most useful single volume now available. Statistical and quantitative material not readily to be had elsewhere sprinkles its pages and is summarized in a useful appendix. With respect to its prescriptions for the ills of Congress, however, the timing of its appearance rendered much of the body of the book obsolete, even before it was published. This arises from the fact that the Legislative Reorganization Act of 1946 (the La Follette-Monroney measure) was passed by Congress and signed by the President while the book was in press. A postscript of some six pages was added, summarizing briefly the relationship of that legislation to the proposals contained in the body of the volume; but this could not, of course, alter the fact that the tense and tenor of much of the discussion had been rendered redundant by that rather unexpected "legislative miracle" (p. 340).

Despite the corrective which the reader must continuously apply in the light of the Reorganization Act, however, the analysis of the inadequacies out of which those reforms arose is helpful and illuminating. As to those proposals which the Act did not embody, for reasons of parliamentary strategy or otherwise, the volume remains a strong plea for follow-up action designed to meet the continuing needs for improvement. Chief among those most urgently pressed for in the book are the elimination of the seniority rule in the selection of committee chairmen; democratization of the power of the House Rules Committee; curtailment of the abuses of Senate filibustering; promotion of coöperation between the President and Congress through a joint legislative-executive council; and establishment of effective legislative budget ceilings in the consideration of appropriations. Some of these

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

were sacrificed at the demand of House leaders as the strategic price for passage of the remainder of the measure as it emerged from the Senate (p. 343). Numerous other less important recommendations were not included in the Act; the justification for these changes as presented in Mr. Galloway's analysis remains challenging and persuasive.

Although at some points the language is such that the reader wonders whether the rôle visualized for Congress is consistent with the demands of modern government, the author makes it clear elsewhere that he is not proposing to scrap more recent institutions in order to restore Congress to the position of primacy he believes was envisioned for it by the eighteenth-century statesmen who framed the Constitution. While stressing that Congress is "the central citadel of American democracy" (p. v), that "legislative assemblies are the first defense of civil liberties" (p. vi), that the framers "placed chief reliance on a powerful national legislature" (p. 4), and that "executive absorption of the legislative function has gone quite far—much farther probably than was contemplated in the original design" (p. 9); the author rightly recognizes that "Congress no longer really governs the country; the administration in all its ramifications actually governs. During the nineteenth century the great issues were legislative; today administration is nine-tenths of the law. But Congress serves as a forum through which public opinion can be enlightened, general policy discussed, and the conduct of public affairs ventilated and criticized" (p. 12).

It is thus in his discussion of the broader aspects of legislative policy-making, of the representative function, of the task of supervising the administration, and of the growing need for more effective legislative-executive liaison, that the author makes his major contribution in relating the importance of a remodeled Congress to the nature of the demands made upon modern democratic institutions. The enactment of the Legislative Reorganization Act of 1946 (despite the minor retreat from the spirit of that measure by the 80th Congress in the continuance of certain special investigatory committees outside the framework of the streamlined committee system) serves both as a tribute to the soundness of investigations such as this and as a heartening spur to further activity looking toward the adoption of other reforms as yet unachieved. If Congress and the people will move forward from this excellent beginning, we can, in the words of the author, "at once revitalize representative government in the United States, expedite the solution of our postwar problems, and renew popular faith in American democracy" (p. 338).

Vincent M. Barnett, Jr.

Williams College

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A Free and Responsible Press: A General Report on Mass Communications. By THE COMMISSION ON FREEDOM OF THE PRESS. Foreword by Robert M. Hutchins. Chicago, University of Chicago Press, 1947.—xii, 139 pp. $2.00.

The Commission which prepared this report was appointed by President Hutchins, of the University of Chicago, at the behest of Henry R. Luce, publisher of *Time* and *Fortune*, who supplied the $200,000 which comprised most of the funds for the group's seventeen meetings and the expense of a very limited research program. Eleven of the Commission's members were university professors—three from Chicago, three from Harvard, and one each from five other institutions. The twelfth was a banker, formerly a University of Chicago professor, and the thirteenth was the poet Archibald MacLeish. It was agreed at the start that this was to be a critical examination of the press from outside, and that nobody with any press connections should be appointed to the Commission. This seems acceptable procedure until we read in the introduction to the report that "The Commission did not conduct elaborate 'research'." No matter how wise the men are, if they do not have original, first-hand knowledge of the subject, they cannot report reliably on a complicated, extensive, and vitally important system without the most thoroughgoing investigations.

Since these are wise men, however, much of their report is admirable. They invited many representatives of the press to meet with them, and they conversed and argued until a group opinion was formed; this was given form in the report which we now have. The philosophical parts are excellent, though not new. Many are the restatements of long-accepted truths, as when Jefferson's famous statement that "liberty of the press guards our other liberties" is paraphrased by "it protects and promotes all the rest." Here is, nevertheless, an orderly statement of the principles of press freedom, with emphasis on a corollary that cannot be too much emphasized, namely, that great rights always bring great responsibilities. Whole sections of this discussion of principles will rank with the best things ever written about the press, and Professor Hocking's supplementary essay is especially brilliant. The fact that the tone of the report is adversely critical of the contemporary press is, on the whole, a good feature of it: these thinkers know that a man's reach should exceed his grasp, or what's philosophy for?

The distressing features of this treatise, however, come when our philosophers get down to concrete problems. Here, in default of proper investigation, they display almost incredible disregard of basic

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

facts and conditions. They set forth the well-known facts about the decreases in the number of newspapers published, but they do not inquire into the actual effect of those decreases. They assume the effect to be a limitation on the right to a hearing of conflicting ideas, yet the readers in most single-newspaper cities and towns are exposed to as many winds of doctrine as those in multiple-newspaper cities and towns. Dr. Waples, of President Hutchins' faculty, has pointed out that the reading problem is far less a matter of availability than choice; with cheap books, news magazines and the radio, there is certainly wide availability. Most students of the press think there are dangers in the concentration to which the Commission once more calls our attention, but all will resent easy assumptions and facile generalizations without supporting data.

Another field in which the Commission shows amazing ignorance is that of the weekly newspaper. A rather tricky statement gives the impression that "almost all" weekly papers are users of the Western Newspaper Union's "boiler plate". Many of them never use any such "filler", and even the use of "ready-prints" in these days is mostly innocuous because of the wide range of choice in material. Moreover, the Commission states that "Rival newspapers exist only in the large cities," thus disregarding the many towns with rival weeklies. And when it says the investment required for a new "small-town paper" is $25,000 to $100,000, it disregards the fact that small-town weeklies can still be started on $10,000. The fact is that the authors of this report are concerned chiefly with the large metropolitan papers and know little about any others.

Though the Commission is justly critical of the frequent lack of a professional attitude among journalists, it makes a sweeping condemnation of schools of journalism wholly unsupported by evidence. President Hutchins has always opposed education for journalism, and on his Commission he had only one man from an institution which teaches journalism; there are three from Harvard, however, and we have a saving clause commending the Nieman fellowships for journalists at that university. The Commission made no effort whatever to look into the truth of its "findings" about the schools. The current activity of the Accreditation Committee which has gathered copious data about the schools (data which flatly contradict the statements of the Commission in most respects) was entirely neglected. It is incredible that this activity, financed by the Carnegie Foundation, the American Newspaper Publishers Association, and other organizations, was unknown to the Commission.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Another blind spot is the Commission's reliance on the mythical "golden age of journalism". Despite all that has been published about the narrow and bigoted journalism of the past, the authors of this report still think that conditions were better for freedom of publication then than now.

Much confusion is caused by the use of the short term "press" for "communication media". It is explained in the introduction that "press" in this book means newspapers, magazines, books, the radio and motion pictures; yet there are many places in which the term "press" seems to be used in its usual signification of the printed word, and sometimes simply to refer to newspapers. Enlarging dictionary meanings in an argumentative treatise is dangerous.

Yet the Commission is wise in including these other media of communication in its survey. It is most casual in its consideration of book publishing. It seems unaware, for example, that the number of titles published annually has been steadily declining at the same time that the total of books issued has increased, indicating a dangerous trend toward the publication of best sellers at the sacrifice of other books. President Hutchins is himself in the book business (the Commission's one exception to aloofness from the problems of the press) and should know about this and other abuses in the trade brought about by the new mass-production techniques.

Most of the Commission's recommendations are sound. Some of the "reforms" suggested are already in effect and others partially so. One feels a disappointment, perhaps unreasonable, that the Commission was not able to propose something more constructive or helpful. The proposal that an independent commission, privately endowed, make an annual report sounds too much like a plea for the continuation of the casual inquiries of the authors of this book. On the other hand, the endowment of a research body, under the direction of competent students of the press who would devote their full time to the work, might lend powerful help to needed reforms.

FRANK LUTHER MOTT

UNIVERSITY OF MISSOURI

The Concentration of Economic Power. By DAVID LYNCH. New York, Columbia University Press, 1946.—x, 423 pp. $5.50.

Dr. David Lynch studied the origin, organization, hearings and recommendations of the Temporary National Economic Committee. The T.N.E.C. was convinced that it had assembled information which "when eventually analyzed and disseminated will enable the people of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

America to know what must be done if human freedom is to be preserved." [1] On balance, Dr. Lynch regards the Committee's investigations as "a fruitless quest for a panacea" (p. 364). In an especially critical passage, he writes, "No doubt a more thorough description and analysis of the same practices and problems might have been obtained by a judicious selection of materials from the leading encyclopedia devoted to the economic and social sciences" (p. 356). He does concede, however, that the T.N.E.C. "made a number of positive contributions and will, no doubt, retain a place in American economic history." These contributions include "assembling a great variety of data on pertinent economic problems, giving widespread publicity to these facts and issues, bringing about voluntary reforms on the part of business management, and causing Congress to initiate laws to correct certain abuses" (pp. 354, 355).

Dr. Lynch was faced with a difficult choice in writing this book. He might have confined himself simply to an organized summary of the T.N.E.C. hearings. Or, he might have tried to cover thoroughly the subjects investigated by the T.N.E.C., using the Committee's hearings as only one source of information. Since he is able to supplement the hearings at many points, the reader benefits from his apparent decision to favor the second alternative. But in trying to summarize the hearings faithfully as well as to incorporate additional material, Dr. Lynch has burdened himself too heavily to write an exhaustive and carefully analytical study of monopoly and unemployment. The book does not present either the most up-to-date or the most comprehensive description of economic concentration available.

Dr. Lynch finds the sharp recession of 1937 responsible for the launching of the T.N.E.C. investigation. He believes that the Administration undertook the project partly as a "face-saving procedure" (p. 17) designed to place responsibility for the recession on widespread monopolistic practices. But Dr. Lynch also finds that the investigations were conducted without punitive characteristic or intent. In fact, he feels that the Committee would have been more successful if members had considered themselves prosecutors and had not pulled so many punches to placate business. He finds the T.N.E.C. handicapped by its large size and conservative and unimaginative membership. Dr. Lynch considers the chairman, Senator O'Mahoney, a man of stature, even though he believes the Senator suppressed criticism of advertising. Isador Lubin and Leon Henderson emerge as the greatest contributors to the Committee's limited success.

[1] *Final Report and Recommendations of the Temporary National Economic Committee*, p. 4.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The description of American industry presented by Dr. Lynch is generally familiar to students of industrial organization. The book gives a spirited, clear and well-organized summary of current monopolistic practices with a number of juicy illustrations of monopolistic excesses. Especially the chapters discussing the implementation of monopoly and the ways in which monopolistic groups pervert the law to strengthen their market position will interest nonprofessionals as well as professional economists. Dr. Lynch finds the crowning indictment of the anti-trust laws and their enforcement in their failure even to compel business to develop new kinds of monopolistic practices. Those reported to the T.N.E.C. had long been embalmed in textbooks on industrial regulation. Dr. Lynch has organized in helpful form the fragmentary disclosures about current monopolistic practices in the rambling testimony before the T.N.E.C.

Dr. Lynch has been fairly criticized [2] for failing to take cognizance of the T.N.E.C. monographs. He charges the Committee with neglecting subjects to which entire monographs were devoted. In so far as Dr. Lynch chose to confine his book to the hearings, it would have been appropriate for him to discuss the extent to which greater understanding of business depends upon the testimony of business men. Research into price policy is generally thwarted by the reticence of the business community. Failure of the T.N.E.C. to exploit its opportunities fully should not obscure the potential contributions of Congressional investigations supported by the power to subpoena.

ALFRED R. OXENFELDT

HOFSTRA COLLEGE

Cartels in Action: Case Studies in International Business Diplomacy. By GEORGE W. STOCKING and MYRON W. WATKINS, and others. New York, The Twentieth Century Fund, 1946.—xii, 533 pp. $4.00.

This is the first in what is projected as a three-volume series on monopolistic developments in international and domestic trade. The present volume is devoted principally to the international area. It is made up of case studies in the following fields: sugar, rubber, nitrogen, iron and steel, aluminum, magnesium, incandescent electric lamps, and chemicals. It is designed to give the general public the facts necessary to understand the economic and political issues raised by the activities of international cartels, but it covers certain relevant activities

[2] Theodore J. Kreps, in *American Economic Review*, volume XXXVI, December 1946, pp. 938-942.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of domestic monopolies. It has as its main thesis the contention that rivalry among producers in the fields examined partakes less of price and quality competition than of the bargaining common to international political diplomacy. It is implicitly argued that the interest of national governments in many cartel arrangements makes the bargaining a part and parcel of diplomacy rather than simply analogous to it. The authors go so far as to say, in the case of the chemical industries, that if such markets "do not conform to competitive markets either in structure or behaviour, neither do they conform strictly to the typical market which the theorists of imperfect competition have analyzed" (p. 426). To the mind of the present reviewer nothing is suggested in the volume which demonstrates the inadequacy of current theoretical formulations of imperfect competition to provide an analytical framework for the activities described.

Cartels in Action is to be distinguished from many other studies on the subject for the absence of that strident tone which has come to be associated with descriptions of monopolistic practice. One of its most useful services is to provide a basis for differentiating among cartels whose activities are wholly private, those which have been supported by governments in the interests of short-term economic stability, and those which have been the instruments of governments intent on long-term economic and political domination. For the purposes of social choice in the United States such distinctions need very much to be made. To assist in formulating the alternatives we face, the authors confirm received judgments of the inefficacy of existing legal controls, of the mutually supporting rôles of domestic monopoly and international cartels, and of the effectiveness of strong independents in impeding the advance of monopolization in some areas. The need for control is made evident by demonstrations of the protection which cartels give to high-cost producers, of their restrictions on innovation, of their need to eliminate or absorb even quite large independents, and of their practice not only to ignore consumer interests but explicitly to violate them.

In view of the authors' expressly limited descriptive purpose it may seem unfair to question their analytical technique or choice of material. Yet exception may perhaps legitimately be taken to their decidedly omnibus definition of a cartel as "an arrangement among or on behalf of producers engaged in the same line of business designed to limit or eliminate competition between them" (p. 3). With respect to organizational structure it includes arrangements all the way from "informal understandings among financially independent concerns to corporate consolidations or even outright mergers" (p. 515). With re-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

spect to function it includes everything from international commodity agreements to exchanges of technological information not directly related to restrictions on output or agreements on prices. By failing any more clearly to define a cartel entity the authors make difficult any judgment on the success of different types of "cartels" as business enterprises or as contributors to economic stability. Perhaps their reluctance to associate cartel activity with general economic fluctuations and their abstention from almost any mention of employment effects in most of their case studies stem from a division of authorship labor which the later volumes will make quite clear.

DONALD W. O'CONNELL

COLUMBIA UNIVERSITY

The Challenge of Industrial Relations: Trade Unions, Management, and the Public Interest. By SUMNER H. SLICHTER. Ithaca, Cornell University Press, 1947.—ix, 196 pp. $2.50.

The six chapters of this book set out in print, with some revisions and amplifications, a series of lectures presented by Professor Slichter at Cornell University in November 1946. With a rare and incisive objectivity they deal with (1) the rise and present status of the American labor movement, (2) the effect of trade unions on business management, (3) the economic consequences of the wage policies of trade unions, (4) the government of unions, (5) the problem of industrial peace and (6) trade unions and the public interest.

The startling emergence of our trade-union movement, in scarcely more than a decade, to status and power no less great than that of our great corporations (Slichter considers them "the most powerful economic organizations which the community has ever seen", p. 4) does indeed confront the American people with a sharp and insistent challenge to their resourcefulness and their wisdom. The enormous power of unions, like that of corporate business enterprises, carries with it potentialities of great evil or of great good, depending on how the power is used. It was recognized long since that the manner in which great corporations used their power was a matter of public concern. Such concern was reflected more than half a century ago in the Sherman Anti-Trust Act; twelve years ago it was again reflected, with respect to the exercise of power by business concerns in the field of labor relations, in the National Labor Relations Act. No less is it a matter of public concern how labor organizations—which now must be deemed to be quasi-public bodies—use their power. Such concern has found legislative expression in several state jurisdictions in recent

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

years and now has been reflected federally in the Labor-Management Relations (Taft-Hartley) Act of 1947.

That statute is the result of an effort to deal with some of the problems which have been precipitated by the emergence of organized labor as a major power and influence in our economy. It is much the same set of problems with which Slichter is concerned in the book under review. His treatment necessarily is brief. Within his space limitations, however, he does a highly competent, even brilliant, job. He displays a sure sense of what is important and fundamental and, although he raises many more questions than he answers, many are answered with wisdom and insight or furnished forth with the relevant criteria for reader-built solutions. He believes "that collective bargaining has stimulated more alert and dynamic management more frequently than it has hampered management and interfered unduly with managerial discretion" (p. 69), but that "setting wages by the bargaining power of unions and employers cannot be counted upon to give proper representation to the interest of the community in the highest possible standard of living and in the fair distribution of income" (p. 96). He concludes that consequently "trade unions, employers, and the community must face the question of whether controls should be developed to guide the process of bargaining." Against the background of these sound observations it is somewhat surprising to find Slichter suggesting, after remarking that "unions bargain for employees, who are producers", that "employers, in dealing with unions, may be regarded as the bargaining representatives of consumers" (p. 19). Apart from the implication that employers are not also producers, this statement seems to suggest that the bargaining employer may, after all, be counted on to give "proper representation to the interest of the community." Obviously business situations may and do exist (those, for example, marked by sharp competition and/or high elasticity of demand), in which, happily for them, the interests of consumers, or some of them, coincide with those of the employer so that, willy-nilly, he represents the interests of the consumer as well as his own. But it repeatedly has been demonstrated that what the employer conceives to be in his interest in bargaining out terms with a union can have very harmful consequences for the consumer. Striking examples of this have marked the course of labor relations in some of our major industries since V-J Day. The most recent case is the wage increase of close to 45 cents an hour "negotiated" this last summer in the coal industry. Was the agreement by the coal operators to this wage increase consonant with the best interests of the consumers of coal?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It is evident that Slichter recognizes the infirmities of the employer as a consumer representative. Thus, in another connection he correctly points out that "the employer may be able to pass on to consumers the cost of make-work rules . . ." (p. 59). Again, in the course of his discussion of the problem of industrial peace he adverts to "the fact that employers are representatives of consumers" and adds the somewhat disconcerting statement that "negotiations are most likely to produce industrial peace when the area of market organization makes employers weak and ineffective representatives of consumers" (p. 134). This, if true, would seem to suggest that the consuming public, unless it can find effective representatives in its elected or appointed public officials, faces the dilemma of industrial warfare with effective consumer representation by employers or industrial peace with ineffective consumer representation by employers. Surely this is one dilemma which the forgotten consumer ought not to have to face!

This little book ought to be required reading for labor relations men in industry, for union members (and, especially, union officials), for students of labor relations and for citizens at large who want to live up to the responsibilities of citizenship in an industrial community which strives to be democratic.

P. F. BRISSENDEN

COLUMBIA UNIVERSITY

Labor and the Law. By CHARLES O. GREGORY. New York, W. W. Norton & Co., 1946.—467 pp. $5.00.

The modifications of New Deal labor policy by the Taft-Hartley Law, with its implicit forecast of many new and different problems in administrative law, render somewhat outmoded many of the criticisms and approaches of even so current a book as Professor Gregory's. However, as a guide and critique of judicial thinking in the labor field this comprehensive and lucid study will stand as a classic for many years to come.

It is Mr. Gregory's main contention that matters of labor policy should not be determined by the courts, but should be left to the legislature where they rightly belong, and that choices involving control and planning in the economic area should be handled by our legislatures "even if the choice which actually prevails is regarded by some groups of experts as horrible and disastrous." But in the past this sharp dichotomy of functions has proved impractical. Certainly the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

thorny administrative problems raised by the new labor law are calculated to throw into the courts a multiplicity of issues which we may be sure they will decide in considerable measure on the basis of their own predilections in the economic sphere. It is impossible to devise a code which will be sufficiently detailed and prophetic to fit all future contingencies. Even were we to do so we might be substituting rigidity and certainty for flexibility and progress. The increasing complexity of our industrial society and the rapid rate of technological change would seem to provide a larger scope than ever before for judicial legislation.

If the courts continue to legislate on labor matters, they are now forewarned. The author has provided an incisive and well-documented analysis, demonstrating how the courts, in the issuance of labor injunctions and in their application of the Sherman Act to labor unions, "betrayed a display of power which all classes of men will dread." Professor Gregory would leave the courts with a purely negative power. The only way for them to achieve impartiality, in his opinion, would be for them to treat all purely economic activity as lawful until the legislature declared otherwise or unless such activity did not conform to some established common law principles requiring proof of justification. But this rule would not be an easy one to follow; for, as the author is at some pains to demonstrate, in trying to distinguish between the use of legitimate economic pressures and the exercise of free speech, the courts have permitted picketing, which often accomplishes legally the same "sympathetic" end as secondary consumption boycotts which they have held illegal. Professor Gregory does not feel that the courts should label as speech social conduct as "dubious" in its nature as peaceful picketing. Here we have tangible evidence of the impracticality of the author's dichotomy. How can the courts see that the constitutional guarantees of freedom of speech are maintained without considering economic policies? Should an employer have the right to assemble his workers on his factory premises during working hours and deliver an attack on a union which is attempting to organize his plant? Is he exercising a form of economic coercion inimical with free speech, since they are under his orders and being paid for their time, or is he acting within the well-established limits of master-servant relations? Is it possible for a court to decide this issue justly without considering the general area of management-labor controls and taking a position on the limits of employer-coercion—in short, without making economic policy? Clearly the phraseology of the Fifth and Fourteenth Amendments will give little practical help.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The author takes a realistic view of industrial trends. To him the day of the small competing unit has passed. Monopoly capital is here to stay, and so are big unions. He agrees with Holmes that combinations of labor are " a necessary and desirable counterpart " of industrial trusts " if the battle is to be carried on in a fair and equal way." Both should be controlled, he maintains, by a recourse to codes of fair employment resembling those of N.R.A. days. This means price-fixing as well as the standardization of employment conditions. Congress would be justified in requiring the unions as well as industry to abide by the outcome of such government-sponsored industry-wide treaties. He feels that eventually prices as well as wages would be fixed by such agreements, and he ventures the opinion that unions would " naturally " play a rôle in that process. In the light of the recent bitter General Motors-U.A.W. struggle revolving largely around the claim of the union to participate in determining the prices of company products—an issue in which labor went down to ignominious defeat—Professor Gregory's prognosis seems a trifle rosy-colored.

Following Thurman Arnold, Professor Gregory would have Congress declare illegal a number of anti-competitive practices of labor unions, among them the exercise of economic pressure to use cheaper materials and more efficient methods; the compulsion to hire unnecessary labor; the use of union power for extortion; the use of union power to maintain prices illegally or at a high level; undertakings to disrupt already established collective bargaining relations; and jurisdictional strikes, where, he urges, injunctions should be permitted in certain cases. In addition, he would enact legislation to hold labor unions to their agreements. Several of these points are now embodied in the new Taft-Hartley Law.

Where labor unions and management will take exception to Professor Gregory's approach is that it finds too little room for labor-management coöperation outside the area of government controls. In certain industries labor and management have, during the past decade, demonstrated outstanding capacity to resolve their own issues with a minimum of government interference. Small business will indubitably resist industry-wide codes on the ground that they will serve to fix a pattern of monopoly and freeze out small and medium enterprise. Is this too high a price to pay for industrial peace?

RICHARD B. MORRIS

COLUMBIA UNIVERSITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

American Military Government: Its Organization and Policies. By HAJO HOLBORN. Washington, Infantry Journal Press, 1947.—xiii, 243 pp. $3.50.

The American public, which was justifiably proud of the achievements of its armed forces during the period of active hostilities, has on the whole been less charitable toward the work of its army since the end of the European war. In particular, military government operations in the conquered territories have been subjected, in the national press, to a considerable volume of criticism, criticism arising too often from basic misconceptions as to the rôle and functions of American military government and from inadequate appreciation of the magnitude of the tasks assigned to our civil affairs officers. Professor Holborn's essay, the first thorough analysis of our military government, will resolve much of the confusion surrounding the subject.

As early as 1941, the War Department had realized that, once the reconquest of Europe and the Far East from the Axis Powers had begun, the army would automatically be involved in serious problems of civilian administration. To prepare for that contingency plans were made and the training of civil affairs officers had begun as early as May 1942. From the very outset, however, the effectiveness of such training was limited by the uncertainties of the war. Until the United States had assumed the strategic initiative in actual operations, it was impossible even to forecast the areas in which military government officers would be needed. Adequate training in any but purely technical subjects was therefore quite impossible in the early years of the war.

Once the tide of battle had turned and it was apparent that both Italy and Germany would be occupied by American troops, more progress could be made in training programs. But here again there were unfortunate delays. As the author points out, "military government is never an end in itself but merely an instrument temporarily used to realize aims of national policy." Until those aims had been determined by civilian policy-makers, the army was forced to be cautious in its plans. In the case of Germany, for instance, it was not until April 1944 that the Combined Chiefs of Staff sent to General Eisenhower directives for the military government of Germany "prior to defeat or surrender." As a result, the military government officers trained by SHAEF never received a clear political orientation before being dispatched to Germany, a fact which explains some of the shortcomings of civil affairs administration in the ensuing period.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

That there were such shortcomings Professor Holborn is willing to admit. But they are, he intimates, understandable when one considers the increasing complications of military government in central Europe. In this respect, the difficulty of coördinating the occupation policies of the Great Powers is of major significance. At Potsdam, for instance, the concessions made to Russia with regard to the Polish question placed American military administration in the uncomfortable position of being a mere servant of the Polish de-Germanization policy, and forced American administrators to defer urgent tasks in order to find shelter and food for the millions of Germans expelled from the Polish zone. Since Potsdam, the differences between Russia and the Western Powers, and especially the impasse on the reparations question, have steadily increased the burden borne by our civil affairs officers. In the light of these difficulties and those incurred by the necessity of constant reorganization and replacement, the army's success in maintaining an adequate force of foreign administrators overseas represents, in the author's opinion, a notable achievement.

While the greater part of this volume is devoted to the organizational aspects of military government and to a discussion of the central German problem, the issues involved in Italy, Austria and the Far East also receive adequate treatment. The student of military government operations will doubtless find special interest in the one hundred and thirty pages of documents which Professor Holborn has appended to his text. In addition to such basic papers as the German and Japanese instruments of surrender, the Moscow and Cairo Declarations, and the reports of the Crimea and Potsdam Conferences, this appendix includes a series of documents relating to the Italian armistice, the basic American directives on civil affairs in France, Germany and Austria, and the statement of August 1945 on American post-surrender policy for Japan.

GORDON A. CRAIG

PRINCETON UNIVERSITY

Operations in North African Waters, October 1942–June 1943. Volume II of "History of United States Naval Operations in World War II". By SAMUEL ELIOT MORISON. Boston, Little, Brown and Company, 1947.—xxvii, 297 pp. $5.00.

Histories of World War II, both official and unofficial, are being published in ever larger numbers. It becomes increasingly apparent that the world's greatest war has had better and more complete coverage than any of its predecessors. Early in 1942 Professor Mori-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

son of Harvard suggested to President Roosevelt "the desirability of preparing for the American people a full, accurate, and early record of the activities of the Navy in World War II." Both the President and Secretary Knox approved of the idea, and Professor Morison was commissioned in the Naval Reserve and given all necessary authority and assistance for the preparation of such a work. This present volume, the first to be published, is volume two of a projected fourteen-volume series.

Professor Morison was an admirable choice to prepare such a history. An outstanding historian, he has been a sailor all of his life. His research in connection with his two-volume biography of Columbus bears testimony to his knowledge of the sea and to his practical seamanship. In the preparation of this history he had the assistance of several trained historians and the coöperation of Naval personnel. Not content with reading reports and studying battle charts, Captain Morison participated in many of the more important actions. "Either he or one of three officers on his staff", according to his publishers, "covered personally every major operation after 1942."

This history of the Navy's share in Operation Torch—the North African landings—is divided into two parts and twelve chapters. The first, and longer, section tells of the expedition against French Morocco. It is prefaced by a forty-page discussion of "Preliminaries"—the diplomatic struggle for North Africa, the discussion of a second front, and the actual preparation of plans and training of personnel. Part two is a record of the expeditions against Algeria and Tunisia. This volume does not dwell on administrative aspects; those will be the province of a separate work, by Professor Albion of Princeton. Neither is it, according to the foreword by Secretary Forrestal, an "official history". Present readers and future historians need not pay much attention to the last statement. Captain Morison shows no indication, at least in this present volume, of writing anything that will make gold-braided ghosts uneasy in their salty graves.

The account of the participation of the Royal Navy is brief, but accurate and fair. There is little notice given to the coöperating rôles of the Army and Air Corps. Since both branches are preparing their own histories of the war, this omission is not serious. There is acknowledgment—something this reviewer has rarely seen—that the small-boat handling of Coast Guardsmen was superior to that of the Regular Navy.

This is not meant to be a diplomatic history, and yet it is within that area that it may receive its most severe criticism. The author

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

goes down the line in what seems complete acceptance of the wisdom of the "Darlan Deal" and the prolonged negotiations with Vichy. He seems half convinced that Marshal Pétain wanted the invasion to succeed (p. 208), and states that the final agreement with Darlan "was the right and the only thing to do" (p. 219). There are several references to the possibility of Germany seizing Gibraltar and invading Spanish Morocco (pp. 7, 187-88), but not much stress on the connection between that threat and our decision to land in French Morocco as well as on the Mediterranean coast. There is emphasis on the "amazing" secrecy of the expedition (p. 18), yet there was little secrecy in New York, for instance, where every bartender along the Brooklyn waterfront must have known about it.

Such criticisms, however, simply indicate the complexity and difficulty of the author's task, a task which, in this first volume, he has performed with distinction. The discussion of naval planning and training, the accounts of the preliminary steps, and the descriptions of decisive actions are always excellent and often brilliant. For example, the account of the hopeless and disastrous attempt of the *Hartland* and the *Walney* to carry an anti-sabotage unit into Oran (pp. 225-30) ranks with the great passages in our naval literature. The illustrations, maps and charts are excellent and add to the value of this distinguished contribution to the record of United States forces in World War II.

RALPH ADAMS BROWN

CORTLAND STATE TEACHERS COLLEGE

Mahan on Sea Power. By WILLIAM E. LIVEZEY. Norman, University of Oklahoma Press, 1947.—xiii, 334 pp. $3.50.

The sea power doctrines of Alfred Thayer Mahan not only gained wide recognition in his lifetime but exerted a profound influence in the ensuing period of world conflict. This is evident in the attention paid to his life and writings—two fairly full-length biographies by C. C. Taylor and Captain Puleston, a selection from his writings (*Mahan on Naval Warfare*) in 1918, a well-handled chapter by Margaret Sprout in *Makers of Modern Strategy*, and a multitude of controversial articles stimulated by his military and political theories. All of these, together with Mahan's twenty volumes and some five score magazine articles, are recorded in the excellent bibliographical section of the book under review, though in view of Mahan's frequent contributions to the press there are doubtless still some of the latter (such as "The Consistency of Nelson as a Tactician", London *Graphic*, Oct. 21, 1905) which have escaped mention.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Since Mahan's life and immediate influence have already received adequate treatment, Mr. Livezey's most useful work has been in drawing from Mahan's books, magazine articles, Congressional hearings, and correspondence a synthesis of his views on the many issues with which he was concerned—Caribbean expansion, Hawaii, the Far East, naval needs and policy, rules of war, the "concept of national interest and justification of war".

Though Mahan's writings provided an arsenal of arguments for the imperialists, he was himself an expansionist only in a limited degree, primarily in the interests of national security. True, he held the conventional views of his time regarding the superiority of Western civilization and the need of assuming "the white man's burden". But his interest in Panama, Caribbean bases and Hawaii was almost wholly strategic. He took no strong stand regarding the accession of the Philippines, and later regarded them not as a possession but as a trust.

Partly as an effect of his profession, he was a sincere believer in force as a final arbiter in world affairs. However counter to more idealistic trends, his views had in many ways salutory effects in his own day. As a delegate to the first Hague Conference, he was right, alone among the American delegates, in opposing the wartime immunity of private property at sea. In the light of later events, he showed wise foresight in advocating American naval strength and the development of bases in the Caribbean and the Pacific. The effect of his counsels is well described by Andrew D. White, his chief in the Hague delegation, ". . . when he speaks the millennium fades and the stern, severe, actual world appears."

Lacking in previous writing on Mahan has been a clear analysis of his fundamental doctrines and of their present validity, in view of the development of land transport, new weapons, and other vastly changed aspects of war. This Mr. Livezey has adequately supplied, particularly in his final chapter, "Mahan Yesterday and Today". He concludes safely that, unless submarines and aircraft deprive the surface ship of its present ascendancy, "there is little to justify the belief that naval strategy as enunciated by Mahan will be basically altered." But atomic warfare may make any discussion of naval strategy "purely academic". There will be agreement with his final verdict that Mahan can scarcely be placed among the great historians. He was primarily a "propagandist-publicist", one of the most powerful of his time.

ALLAN WESTCOTT

ANNAPOLIS, MD.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Management of the Federal Debt. By CHARLES C. ABBOTT. New York and London, McGraw-Hill Book Company, 1946.—ix, 194 pp. $2.50.

This book deals with a problem which " will directly influence every aspect of our economic life during the next decade " (p. 2). The management of the federal debt has come to be of such major importance because of the rapid growth of the debt, the interest burden, the dominance of the federal debt over other kinds of debt, and the resulting control of the Treasury over financial institutions.

Professor Abbott reviews briefly our wartime debt policy and the loss to fiscal authorities of credit controls. He sees " the crux of the federal debt management problem " (p. 63) as the relation of the debt to the position of the commercial banks. He traces the changing position of the commercial banks from 1920 to their new position in 1946. This new situation is one in which the volume of deposits is not determined by the needs of business, in which most of the banks' investments are government obligations, and in which the public's demand deposits are " backed more than 100 per cent by government obligations " (p. 76).

The author reviews critically the theories of debt management which emphasize spending and business-cycle control through manipulation of the debt. He blames these theories for regarding government spending merely as a transfer problem and for being impracticable in the face of both the lack of control over shifts in the holdings of liquid assets and the present inflexibility of interest rates. His conclusion is that the best policy of debt management is one which will minimize the effects of the debt on the economy. This conclusion does not lead to an entirely negative policy, but rather to a policy aimed at protecting the credit of the government through reducing the danger of sudden transfers in extensive holdings of liquid assets among government debt, bank deposits and cash; and through a restoring of control over the quantity of money in the economy. Among the author's suggestions of possible devices for working toward these ends are the following: a further reduction of the interest rate on new issues, the attaching to some government bonds of the feature of tax exemption to compensate for reduced interest, a wider differentiation of types of securities to fit the needs of particular classes of bondholders, and the relaxing of some of the restrictions on banking in order to expand the functions of the banks and in order to encourage them to assume reasonable risks and to supply funds for business. The author believes that the responsibility for economic expansion should

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

be divided "to leave with business the maximum that it can carry, and with government the minimum that cannot be shifted elsewhere" (p. 134).

Even for those readers who will not agree that the best debt management will be that which minimizes the effect of the debt, this is a useful book. The author has summarized several theories of debt management and fiscal policy, has reviewed the loss of the effectiveness of quantitative controls of credit, has raised many challenging questions for future study, and has offered some cogent suggestions for debt management. It is to be hoped that Professor Abbott himself will pursue some of his suggestions for further investigation. It is to be hoped, also, that commercial bankers will read this book and accept the author's challenge that they reëxamine the functions of commercial banking with a view to preventing the banks from becoming mere underwriters of federal deficits.

MARION H. GILLIM

MOUNT HOLYOKE COLLEGE

European Population Transfers, 1939-1945. By JOSEPH B. SCHECHTMAN. New York, Oxford University Press, 1946.—xi, 532 pp. $5.00.

The author does not include all the population transfers in the period 1939-1945, but the transfers carried out by government planning to deal with the problem of minorities, the organized removal of an ethnic group from its country of residence and its resettlement in territory under the sovereignty of its ethnic homeland (p. x). To carry through this purpose he has used enormous quantities of material, especially newspaper reports. The list of newspapers and periodicals, including government publications, is a testimonial to his scholarly labors. After using available materials, "the picture is admittedly incomplete", but the reviewer thinks that the organization of the study, buttressed on effective use of material, will stand as a basis for the future work that will need to be done when more of the German official material, especially of the German settlement organization, becomes available.

He devotes a section of his book to the minorities problem in central-eastern Europe, a territory in which "not one of the new states [set up in Paris] was uninational, nor was there any one national group all of whose members lived in a single state" (p. 4). The Allies at the close of the First World War tried to meet the minorities problem by treaties under the collective guarantee of the League of Nations

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(p. 7). These treaties, which the new states and the defeated states were forced to accept, sought to assure the rights of minorities as recognized ethnic groups within a state, and might have succeeded with good will on the side of majority and minority groups, but a sufficient degree of good will was not forthcoming (p. 10).

The major emphasis of the book is laid on the Nazi government's energetic application of the principle of transfers of populations, and the effort to Germanize the annexed territories, especially western Poland (p. 24). The author presents an interesting picture of the German population in eastern Europe as considerably better off than the average in the country where they were settled, with an important position in government service, in business and in the professions, and with the Germans on the whole owning larger farms than other peasants in the same area, notably true of the people in the Baltic states (p. 72), but widespread and noticeable in the German colonies, long settled in the Black Sea area (pp. 206-232). This favorable situation explains in part the unwillingness of the German minorities to leave their homes except under Soviet pressure (pp. 433, 77, 174).

The author points out the great difficulties of resettlement, even where, as in eastern Poland, the Hitler régime made place for the new settlers by removing ruthlessly Poles and Jews, so that farms and housing and opportunities for employment were provided for the new settlers (pp. 465-466). Nor was Germanization ever carried out completely. There remained a majority of Poles in the annexed Polish provinces, laborers in factories and on farms, a dissatisfied though politically powerless majority, which made life difficult in many ways for the German settlers (pp. 354 *et seq.*). Doubt may be cast on the sincerity of the Nazi government's belief in the principle of transfer of German nationals to form a homogeneous ethnical population because of the majority of Poles remaining in annexed Poland. The author might have added that neither was the large Polish population in the Reich deported. Furthermore, strong German colonies in southeastern Europe were maintained as buttresses of the Empire. In spite of pronouncements, the reviewer is inclined to think that the German transfers of population under Hitler were not based on any sincere attachment to the principle of the ethnic state but on the theory of the Germans as a master race, on the policy of settling a sufficient German population in the annexed provinces to assure the control, and on the necessity of getting Germans in exposed localities back to German-controlled territory, especially after the retreat began.

In separate sections the author studies the transfer of non-German minorities. Important is the attitude of the Soviet government in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

agreeing with Poland for an exchange on a voluntary basis to eliminate minorities "the mere existence of which would always furnish material for irredentist propaganda and activities" (p. 376). The author notes the difficulties met in making other transfers and the little long-time fixity of the results. The Rumanian-Bulgarian exchange in the Dobrudja appeared reasonably satisfactory in 1940 (p. 412). The Greek-Turkish exchange is an accomplished fact (p. 22) and may well have contributed to better feeling between the two countries, but the record is not persuasive that transfers stay put.

The author points out the difficulties of property settlements in cases of transfer. This was true, even in the relatively easy case of the transfer of German Balts (pp. 116, 125-129), a settlement rendered simpler by the evacuation of Poles and Jews, so that there were farms and houses and jobs for newcomers. He points out the advantage in exchanges of populations in that there will be land and employment opportunities left vacant for new settlers in both countries, thus automatically covering a large share of the indemnity to individuals, but rarely will there be equality (p. 466). A notable case is the Greek-Turkish exchange in 1923-1926 (pp. 16-19). Although many fewer Turks went to Turkey than the incoming Greek refugees, the author thinks that the settlement of the Greeks would have been almost impossible without the freeing of land by the expulsion of the Turks and the large foreign loan Greece had to assume.

In his concluding sections the author sets out the sharp differences of opinion with respect to population transfer as a means of settling the minorities problem. The reviewer agrees with the author, that "the transfer of populations should be decided on only in the last instance, not as an ideal solution but as a necessary evil" (p. 468). His evidence indicates that it has been successful in a few cases, where the population involved was not excessively large and where, as a result of the transfer, it was possible to settle the newcomers on land left vacant by those who had been evacuated or to provide places for professional men or artisans in the towns. He points out, however, the unwillingness of the people to leave their homes and property and go into a strange land, even if they are to be sent to a country of the same ethnic origin as themselves, and concludes that, if population transfers are to be a means of restoring political equilibrium, there must be no option (p. 478); and the operation should be carried out "with one swift strike" (p. 469). Otherwise it is probable that only a portion of the ethnic group will leave their homes.

JOSEPH P. CHAMBERLAIN

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Alexander I of Russia: The Man Who Defeated Napoleon. By LEONID I. STRAKHOVSKY. New York, W. W. Norton & Company, Inc., 1947.—302 pp. $3.50.

"It is not easy to form a just opinion of the character of the emperor," Count de La Ferronays, French ambassador to the court of Alexander I, wrote in April 1820; "it is composed of too many contrasts to be understood or grasped." The judgment of posterity has confirmed in a large measure that of the French diplomat, and Alexander I has gone down in history and literary tradition as the "sphinx" and the "enigmatic tsar". The period 1801-1825 when he occupied the throne, moreover, was a particularly significant one in the history of Russia and Europe: it began with the murder of Emperor Paul I, witnessed the rise and fall of the Napoleonic empire in which Russia played so important a part, laid down—with the appearance of the works of Krylov, Pushkin and Griboedov—the foundation of modern Russian literature, and ended with the abortive revolution of December 1825, precursor of the revolutionary movement which some hundred years later swept away the monarchy. It is with real anticipation, therefore, that one opens a new volume on Alexander I. Mr. Strakhovsky, Lecturer in Slavic at Harvard University, is a historian as well as a writer of poetry and fiction; he would seem to be particularly well qualified for a task to which he has obviously devoted much time and thought as evidenced by his voluminous bibliography.

Unfortunately the promise of a fresh, vigorous and well-documented book on a fascinating historical figure remains unfulfilled. *Alexander I of Russia* belongs to that ill-defined borderland where historical study merges into historical fiction. Mr. Strakhovsky is primarily concerned with Alexander, not with the history of his time. It would be unfair, therefore, to blame him for failing to throw any new light on the stupendous events that are part and parcel of the tsar's life-story, even though the author inevitably discusses them at length. One may be warranted, however, in questioning his interpretation of Alexander's character and motives which provide the main theme of his book. Alexander is pictured as being obsessed by the memories of the part he took in the murder of his father, Emperor Paul I; it is this constant preoccupation with the bloody deed of March 11, 1801, that is supposed to have determined his conduct and finally to have led him to expiate his sin by simulating death, relinquishing the throne, and leading the life of a vagrant. Mr. Strakhovsky revives the familiar, albeit generally discredited, legend that Alexander did not die in Taganrog in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1825 but escaped to Palestine in the yacht of Lord Cathcart, and thirty-nine years later ended his life in Siberia in the guise of a holy hermit Fedor Kuzmich. It is presumably the rigid adherence to this theory that makes the author neglect much revealing information on Alexander's character provided by the valuable publications which are listed in his bibliography. Incidentally, in agreement with the traditional view of Russian historiography but in disregard of the excellent factual studies which appeared shortly before the revolution of 1917, Mr. Strakhovsky chooses to represent Emperor Paul as a raving madman.

If the novelist in search of dramatic effect often takes considerable liberties with historical evidence in the body of Mr. Strakhovsky's book, the historian asserts himself in a useful appendix which summarizes evidence in support of the main thesis, that is, the identity of Alexander and Fedor Kuzmich (pp. 255-273). None of this evidence is new and, in the reviewer's opinion, it shows conclusively that the legend of Fedor Kuzmich rests on gossip, surmises and guesses. Mr. Strakhovsky himself would seem to be uneasy about the nature of the proofs he has marshaled. He admits that the theory he sponsors "is largely based on negative evidence". He meekly argues, however, that "where there is smoke there is fire", a dogmatic assertion which means, if anything, that every historical fable contains an element of truth. The final proof in support of his contention, the author believes, will be supplied by the papers of the Cathcart family which may be willing to release its secret in 1964, the hundredth anniversary of Fedor Kuzmich's death. Pending this problematic event there is little reason to doubt that Alexander I died in Taganrog in 1825.

MICHAEL T. FLORINSKY

COLUMBIA UNIVERSITY

Colony to Nation: A History of Canada. By A. R. M. LOWER. Toronto, London, New York, Longmans, Green & Co., 1947.—xiii, 600 pp. $5.50.

The Road to Nationhood: A Chronicle of Dominion-Provincial Relations. By WILFRID EGGLESTON. Toronto, Oxford University Press, 1946.—xvii, 337 pp. $2.50.

Professor Lower has broken the genteel, or impersonal, tradition in Canadian historiography to good effect. Equipped with a notably intimate knowledge of his country and its history, and adopting, in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

his images and analogies, a family relationship which embraces both his Canadian readers and many of his subjects, he broods, fights and philosophizes his way through four and a half centuries of perplexities in a most idiosyncratic and engaging fashion. In his Preface he reiterates an old complaint of his that "few people read any history and fewer still read any Canadian history." He must be very gratified that his bold and novel effort to make Canadian history worth reading has been crowned this year by an unparalleled number of prize awards and other distinctions. His book has already proved to be generally enjoyable.

The history of Canada, far more than that of the United States, defies unity. Five stubbornly distinct regions and an abiding ethnic dualism, on the one hand, and interplay with Great Britain, the United States and the Vatican, on the other, cannot be integrated in the past. They are not integrated today. Lower's response, conscious and unconscious, to this challenge is to neglect the parts for the sake of the nearest approach to a whole (i.e., Laurentian metropolitanism in Quebec and Ontario); to accept the fact that he cannot amalgamate the French and English halves of the whole; and to assert, therefore, that "writing Canadian history remains an act of faith, the substance of things hoped for." This makes for considerable unevenness. The Maritimes, for instance, almost drop out of sight with the American Revolution, and the curious circumstances which established them economically receive scant attention. The economic history, most of which is handled well, largely on a regional basis, up to 1875 or 1885, falls off thereafter into fragments which are insufficient to explain the ever more substantial international rôle which Canada has been led to play since 1896. Mr. Lower is quite cautious about relationships between economics and politics, whether dealing with the Panic of 1837 or the Panic of 1940, which is surprising in a historian who gives so much attention to economic enterprise. The explanation appears to lie in his profound concern with the obediences of various kinds of Canadians to imponderable influences which emanate from their traditions and their local environments.

It should be apparent without further description that he has written a most interesting, but somewhat selective, history. His wit is evidenced in passage after passage which cries out for quotation, but these are partially offset by a smaller number of passages of perfunctory and unrewarding summarization which are repellent. On the whole, few readers, Canadian or other, will want to lay the book down once they have taken it up, for its combination of inner passion and concern,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

courage, intelligence, and often brilliant exposition make it unique. It lacks the smooth artistic unity of D. G. Creighton's *Dominion of the North* (1944), for instance, but it is more liberal and daring. Finally, however, serious condemnation must be made of author and publisher for the shocking number of technical and scholarly errors and blemishes. Mr. Lower is sometimes even unfaithful to authors whom he cites (and there is no bibliographical note); the publishers apparently provided no editorial supervision whatever. The reviewer cannot recall reading any equally serious and admirable book which was published so carelessly. The maps are abundant and excellent.

Mr. Eggleston's book, although a lucid and substantial chronicle of the efforts made in Canada between 1864 and June 1946, to put federal-provincial financial relations upon a basis adequate for fulfillment of national responsibilities, lives up to Mr. Lower's definition of "the substance of things hoped for." The author is exceptionally well qualified to acquaint readers with the recent, crucial aspects of the problem, for he served in the traveling secretariat of the notable Rowell-Sirois Commission, and, as a distinguished parliamentary correspondent for the Canadian and British press, has reported the two futile Dominion-Provincial Conferences of 1941 and 1945-1946. He has also drawn knowingly and substantially upon scholarly studies of the earlier financial adjustments. He is a frank proponent of the demonstrable thesis that the makers of the Canadian federation clearly intended a strong central government and provincial governments of a subordinate and almost municipal character, but he is wise enough not to base very much of his plea on this argument. He has a happy gift for direct quotation which, particularly in dealing with the events of the past ten years, reveals the often shocking irrelevance of the arguments used by provincial political leaders in their efforts to evade appropriately substantial federal unity in taxation and finance. Altogether Mr. Eggleston has served his countrymen well in presenting, with no concealment of his own centralizing views, the problem of finding "a kind of working federal union which will preserve the advantages of the Federal system and yet conform to the demands upon Canada for strength and unity which social and international changes of recent years make imperative if democracy is to survive within, and if Canada is to act as an effective nation around the council-tables of the world."

J. B. BREBNER

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Zachary Taylor. By BRAINERD DYER. Baton Rouge, Louisiana State University Press, 1946.—xi, 455 pp. $4.00.

The publication of this new biography is timely; for the forthcoming election of 1948 will coincide with the centenary of the election to the presidency of "Old Rough and Ready", a professional soldier devoid of political experience or party affiliation, carried into office on a wave of enthusiasm for the hero of the Mexican War.

Mr. Dyer's book is a comprehensive and detailed study of the frontier fighter whose career was so tightly interwoven with the expansion and defense of the American borders during the first half of the nineteenth century. The author has supplemented the somewhat scanty material of the Taylor manuscripts by a broad investigation of the papers of contemporaries and other sources; throughout, the documentation is carefully executed.

Yet the tone of the biography is inconclusive, if not unsympathetic. In his treatment of Taylor's long years in the army—his participation in the War of 1812, the Black Hawk War, the Seminole War and the intervening years of peace spent at advanced frontier outposts—the author is markedly temperate in his praise of Taylor's achievements. Taylor's battle at Lake Okeechobee was the only signal victory of the Seminole War. Three of Taylor's predecessors in command—Gaines, Scott and McCall—had been recalled in turn within the space of a year because of their failures, "and the first year of the war came to an end with nothing accomplished" (p. 104). In the face of this circumstance, the author's summary of Taylor's record seems grudging. Taylor, he remarks, "was in command of the forces in Florida for two full years—a longer period than that served by any other of the numerous commanding officers in the Seminole War. But whether he contributed more to the winning of that war is not easy to determine. Probably he did not" (p. 126).

The author's tendency to underestimate Taylor's abilities and the inconclusiveness of his judgments are even more marked in his discussion of the Mexican War. Here the author constantly cites Taylor's critics and opponents, and seems to give little weight to the testimony of military men such as Ulysses S. Grant. Taylor is charged by Mr. Dyer with failure to take any steps to ensure the health of his army (p. 158), with laxity in preparations and the training of his men (pp. 159-60), with dilatoriness (p. 178), and with lack of foresight concerning supplies and transportation (pp. 189, 198.) The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

author places on Taylor the blame for the quarrel that developed between the Polk Administration and the General. He discounts the political implications of the situation, and defends Polk's appointment of Scott to the command of the Vera Cruz expedition (without notification to Taylor) on the ground that Taylor "had not demonstrated such strategical or tactical ability as to make him an indispensable general" (p. 225). Yet, in contradiction, the author remarks that "General Taylor conducted the campaign against Mexico with a high degree of success" (p. 247).

This same balancing between opposing judgments blurs the picture of Taylor as candidate and president. The important part played by Taylor in the conduct of foreign affairs—the conclusion of the Clayton-Bulwer treaty, his insistence on a pacific and neutral policy, his determination to check filibustering, and his disavowal of Polk's expansionist schemes—is almost outweighed in the author's eyes by "his narrow and stubborn insistence upon American rights and dignity" (p. 336). Categorically Mr. Dyer declares that Taylor's stand on the admission of California and his opposition to Clay's compromise proposals can be explained "only on the basis of personal pride and jealous hatred of Clay" (p. 390). Yet within a few paragraphs a completely different view of Taylor's character is advanced. President Taylor, he concedes, was influenced also by his resentment of the Southern threats of secession. "Believing that issues should be settled upon the basis of right, he would not abandon his plan in the face of threats" (p. 391). Possibly the author's conflict of judgment is born of the caution of scholarship, possibly something is owing to his own historical preferences. In any event, the contradictions of appraisal illustrate the difficulty of anchoring a personality to a footnote.

Dorothy Burne Goebel

Hunter College

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOK NOTES

Students of political science have sadly neglected the impact of scientific discovery and technology upon political and social institutions, especially war and diplomacy. The atomic bomb dramatized the interrelationships of physics and politics—a subject on which Walter Bagehot wrote some eighty years ago—with the result that we now understand more than we previously did of the causal connections between military weapons and national policy. William Liscum Borden's *There Will Be No Time: The Revolution in Strategy* (New York, The Macmillan Company, 1946; xiii, 225 pp. $2.50) considers more than the atomic bomb, however, and discusses the broader subject of the manner in which modern war challenges most of the political preconceptions of our day and age. The mechanization of armed forces, the development of new weapons (of which nuclear fission is only the most spectacular), and the rise of the totalitarian state have given entirely new meanings to time and space as factors in war and diplomacy. Timorousness, "watchful waiting", and prolonged and bitter debates in the face of new world crises can no longer be the bases of American political action; indeed, they will be invitations to national suicide. For war will be upon us without warning, in pulverizing force, and with what may prove to be irreparable destruction. This book is commended to students of politics, not because it is faultless in its political and military judgments; quite the contrary. But it is marked by deep sincerity and a sense of urgency. It is more sophisticated than some of the imperatives now offered us by the scientists, who are equally sincere and equally urgent. It does not press for world government, for example. One need not accept all, or even a major part, of Mr. Borden's reasoning and conclusions, however, to appreciate the value of this little volume for its courage, suggestiveness and sanity.—EDWARD MEAD EARLE, The Institute for Advanced Study.

Our greatest danger, as a democracy, is present in our complacency, our failure to carry on a running series of arguments with one another which keep us alert. So says a long-time champion of civil liberties—Morris L. Ernst in *The First Freedom* (New York, The Macmillan Company, 1946; xiv, 316 pp. $3.00)—in a searching analysis of our mass communications. Our social inertness he lays in large measure to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

concentration and consolidation of ownership of the media of communications, and his social medicine is diversity—forced, if need be—in the ownership and direction of the agencies which furnish information to the public. The traditional hands-off policy forced upon government in the United States has allowed concentration of ownership to develop, and Ernst regards this trend, despite tremendous gains in total circulation of periodicals, as a threat to the public welfare. The usefulness of radio and the movies is found to be similarly impaired, and persuasive government action is likewise recommended in these fields. Working with three or four research assistants, Ernst has turned out a book which compares very favorably with the much more expensive general report of Chancellor Hutchins' Commission on Freedom of the Press. However, the book is the work of an advocate rather than a social scientist, and both definitions and data accumulation have been allowed to contribute narrowly to the identification and proposed cure of our public information ailments. The press is dealt with constantly in terms of its opinions rather than its news reports and, indeed, the whole theater of Mr. Ernst's thought seems filled with a wish for diversity and argument without much recognition of the values of the information function of the press. Other factors in the problem—public education, or the lack of it, faulty systems of political responsibility, the crushing economic forces that all media of communication face—are either ignored or subordinated to the driving idea. This reduces, but does not vitiate, the great value of a book which is the personal testimony on the subject of freedom of a lawyer who has made a really magnificent personal contribution to the maintenance of liberty.—J. EDWARD GERALD, University of Minnesota.

The eminent French jurist and professor of comparative law, Boris Mirkine-Guetzévitch, has brought together a range of observations on the transitional period in France in *La Quatrième République* (New York, Éditions de la Maison Française, 1946; 267 pp. $1.50). The orientation is one of loyal defense of the Third Republic and that combination of 1789 and socialism represented by Jaurès and Blum. The author's own concern, however, is almost entirely with the political side of things. The book is divided into three parts. In Part I—"The Republic of Yesterday"—the author comments on familiar problems of the Third Republic, citing illustrations of comparative practice drawn from his thirty-five years of study of modern European constitutional experience, and underscoring the need of an executive strong enough to direct the legislative and budgetary program of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

modern state. Part II—"The Provisional Republic"—reviews certain of the programs advanced prior to liberation, notably the program of the *Conseil National de la Résistance* and the Algiers Ordinance of April 21, 1944. It then emphasizes, in the most analytical part of the book (chaps. x-xii), the primacy of political action in the provisional period, and the importance of this period as the time in which resolute Jacobins must purge the cadres if a new régime is to be born. Part III—"The Republic of Tomorrow"—brings together the author's views of certain needs of the Fourth Republic: a Jaurèssian program, a Jacobin temper, a new theory and practice of executive power, a purged and democratic administration, a resolute government, a universal realization that the argument of individualism versus collectivism is no longer relevant on the Continent. The book's merits are marred by its somewhat scattered and repetitive character; and its greatest frailty reveals the difficulty of writing such a work on this side of the Atlantic. This lack of sufficient contact with contemporary realities in liberated France shows at several points: in the carry-over of occasional unrevised assumptions from the pre-war era, notably in lumping the Radical Socialists of 1945 with the Left (pp. 254 *et seq.*); in the pure, *tricolore* colors in which it paints certain issues which closeness to the scene would blur, such as how to execute a mass purge by judicial processes; in the unwillingness to link De Gaulle, the heroic *résistant*, with De Gaulle, the conservative political leader; in the omission of the U.S.S.R. and bare mention of the Communist Party when discussing the politics of liberated France—an oversight that sometimes leaves the reader with the curious feeling he might get from a book on the United States in the 1930's which omitted the New Deal.—JOHN E. SAWYER, Cambridge, Mass.

If Sydney Morrell's *Spheres of Influence* (New York, Duell, Sloan and Pearce, 1946; xii, 339 pp. $3.50) had been more widely read in this country the recent debate over American policy toward the U.S.S.R. generally and in the Mediterranean area particularly would have been conducted on a much more intelligent level. Mr. Morrell, a psychological warfare specialist, served during the war in Iran, Greece, Yugoslavia and Italy and watched the developments which set the background for present American policy in the eastern Mediterranean. His reporting of these developments gives a clear picture of the situation that made American intervention inevitable. Soviet political, economic and ideological warfare against the United States, he points out, began in each of these areas long before the war ended, carried on either by the Russians themselves as in Iran, or by the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Soviet-supported Communist movements in Greece, Yugoslavia and Italy. Mr. Morrell paints a discouraging picture of the confusion, bureaucratic rivalry and simple incompetence of American and British intelligence and propaganda officials which resulted in Anglo-American encouragement of Tito and the EAM even at times when these were deliberately refraining from fighting the Germans in order to conserve their strength for the coming civil wars in their countries. His descriptions of the conditions which prevailed temporarily in Greece under EAM rule and more permanently under the Tito dictatorship in Yugoslavia provide an interesting definition of the " new democracies " which the Russians now sponsor in most of eastern Europe and which they would like to extend elsewhere. Those looking for personal background on the troubled and troublesome eastern Mediterranean can hardly afford to miss this account by an eyewitness whose grim predictions seem much more convincing a year after they were written than they probably seemed at the time their author penned them.—HARRY SCHWARTZ, Syracuse University.

A scholarly and valuable contribution to the not very extensive literature on economic conditions in the dependencies of the British Colonial Empire, entitled *The Native Economies of Nigeria* (London, Faber and Faber Limited, 1946; xxiv, 312 pp. 25*s*.), appears under the auspices of Nuffield College and the editorship of Margery Perham, well known as a specialist in British colonial government in Africa. It is published as the first volume of a study of " The Economics of a Tropical Dependency " and consists of two parts—" The Rural Economies " by Daryll Forde, Professor of Anthropology in the University of London and Director of the International African Institute, and " Production for Trade " by Dr. Richenda Scott. Miss Perham in her Preface tells us that Nigeria was chosen as the territory to be studied " partly in its own right as containing the largest and almost the poorest population of any British dependency, partly because most of its problems were typical of those of backward tropical economies, especially in Africa." The book is a product of the increasing British interest in the Colonial Empire, of which Parliament's extension in 1945 of the Colonial Development and Welfare Act of 1940 was the most conspicuous illustration. Present British colonial policy is described as one of " greatly quickening the development of colonial peoples in all aspects of their lives through the application of the capital, expert guidance, and new economic and administrative techniques of the civilised world." It is in this setting that these studies of Nigerian economy should be read.—R. L. SCHUYLER.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In spite of its title, *The Evolution of the Netherlands Indies Economy* by J. H. Boeke (New York, Netherlands and Netherlands Indies Council, Institute of Pacific Relations, 1946; x, 180 pp. $2.00) is devoted primarily to a consideration of governmental economic intervention in the Netherlands East Indies during the depressed years of the 1930's. At the beginning of the crisis there was a general recognition of the inability of private initiative to cope with the situation and of a need for action by the collectivity. In the course of time restrictive programs were adopted for the overproduced raw-material exports of the Indies, as in the case of rubber and sugar; quotas and licenses were established for many imports in order to improve the balance of trade and payments; some control was established over prices and wages; and an effort was made to encourage the colonization of the "outer colonies". Most of these policies are described in detail; and most of them have a familiar ring. What their ultimate results would have been if there had been no war leads to interesting conjectures, for some of the measures taken were not efficacious and others were but temporary expedients. Let us consider the case of Java's population, for example, in which the annual increase is 500,000. At this rate and with no emigration the present population of 46,000,000 would be 116,000,000 by the year 2000. Emigration at its highest peak (1940) provided for only 52,000 persons and if it were raised to a high level would mean simply the transfer of the population problem from Java to Borneo and Sumatra. The intensification of agricultural production offers some hope, but in the opinion of Professor Boeke little is to be expected from placing more land under cultivation or from industrialization. He implies that a restrictive policy is the only way out of the demographic impasse. The most thoughtful, and for the general reader the most rewarding, part of this study is the first chapter. The theme here is that Western capital and Western capitalism have more and more come to dominate the economic structure of the Indies. Consequently native economic activity has given way increasingly to "foreign" influences. Nor does it seem "possible to give a more important place to either native mass labor or native land uses in the process of colonial production. Capital, science, and technique, in the hands of the Western entrepreneur, have not abandoned their control over that process." The government has intervened to effect a working relationship between Western and native interests for what it considers the common good of the Netherlands Indies. The corollary seems to be that if native interests are to become dominant they will have to do so by political rather than by economic action.—SHEPARD B. CLOUGH.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Belgium has frequently been regarded as the microcosm of western Europe. So far as its parliamentary system is concerned there is much justice in this view, for Belgian parliamentarianism, the oldest on the European continent, has experienced on a small scale those problems and developmental trends which have been most characteristic of the West. In his description of the parliamentary régime in Belgium—in *Le Régime parlementaire belge de 1918 à 1940* (Uppsala and Stockholm, Almquist and Wiksells Boktryckeri, 1946; xxi, 373 pp. Kr. 10.00—Mr. Henrik Höjer has employed three major divisions: the first is devoted to an explanation of political parties and their platforms; the second, to a chronological account of cabinet changes from 1918 to 1940; and the third, to generalizations concerning the operation of the parliamentary system. The third section is by all odds the most revealing. Part one lacks an adequate exposition of those basic issues in Belgian society, except the linguistic one, upon which various political parties have taken different positions, although the reader is made to understand that domestic politics revolves around religious, linguistic, social and economic problems. Part two suffers from the fact that it is a blow by blow history of eighteen cabinets and some thirty ministerial crises in which detail obscures comprehension. Part three, fortunately, clarifies in a systematic fashion the earlier sections of the book. Here attention is given to such questions as ministerial instability, the political complexion of governments, relations between Senate and Chamber, and the rôle of the King in the parliamentary system. The main lines of this account are that with the rise of the Socialist Party no one party had a clear majority in the Chamber. Consequently government by coalition was necessary. Nine of the eighteen cabinets in the interbellum period comprised representatives from the Catholic, Liberal and Socialist parties and six, members of the Catholic and Liberal groups. With so many interests to be reconciled ministerial instability grew phenomenally (Belgium had only twenty-three cabinets from 1831 to 1914), but this apparent instability was mitigated by the frequent reappearance of ministers in succession cabinets, by the lack of changes in certain cabinet posts (especially Foreign Affairs, National Defense, and Industry, Labor, and Social Affairs), and by the failure of any one party to muster enough strength so that it could embark upon an entirely new policy after a ministerial upset. Ministerial instability seems to have contributed to an increased importance of the Senate and to a more active participation of the King in political consultations. Instability, as well as the growing rôle of the state in public life, led to the formation of committees

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

within the cabinet to deal with issues affecting several departments. Instability and parliamentary inefficiency had something to do also with the antiparliamentary and totalitarian movement, Rex, which came to an inglorious end at the conclusion of World War II.—SHEPARD B. CLOUGH.

Although he dubs himself an "American amateur" Professor Wallace Notestein gives excellent proof in *The Scot in History* (New Haven, Yale University Press, 1946; xvii, 371 pp. $4.00) that he is qualified to write on "the Scot in history", which is a more difficult and a more interesting task than to write a history of Scotland. As historian the author has had a particular interest in the delineation of national character. Now he follows up his work on *English Folk* by a more sustained study of the Scot, "a study of the interplay of character and history." Descended from Presbyterians on both sides, having a Scottish Wallace for his mother and a Bruce for a grandmother, he "grew up in a stronghold of Presbyterians." With competent knowledge and sympathetic discernment he follows the way of the Scot from the disorderly, roistering, hard and often cruel medieval times to the advent of a harsh Presbyterianism, and through the "Periclean Age" of the late eighteenth and early nineteenth centuries down to the present. He deals with "traits inborn" and "traits induced", a precarious distinction. The enterprise is beset with pitfalls, and Professor Notestein is well aware that "national character is a vague subject . . . on which much nonsense is written." He himself regards the victory of Presbyterianism over a rather enfeebled Catholicism as the turning point and the most important factor in the whole history of the Scots. He may well be right in this judgment, but the question is not thereby answered why Presbyterianism took so profound a grip of the Scottish people, why it assumed so drastic and so gloomy a shape, and how, for example, it was related to a considerable amount of furtive sexual irregularity and hard drinking. Questions of this sort cannot be categorically answered, but we can attain some glimpses of the explanation. For these we must go down, deeper than our author does, into the everyday experience of the people, the life of the Highland glens and the Lowland estates. Professor Notestein shows us how the Scottish poets, such as Allen Ramsay and Robert Burns, delighted to depict the common realism that Knoxian Presbyterianism had outlawed. This realism was associated with a folklore that was anti-Calvinistic and indeed pre-Christian, a folklore congenial to wild seas and rain-filled skies, rich in sentiment, obsessed by the melancholy beauty of nature and the tragic beauty of man's

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

adventures in living, above all essentially pagan and naturalistic. Against this lore Calvinism pitted its own more awesome lore, bereft of beauty but armed with the ungainsayable sanctions of heaven and hell. The old lore conveyed no discipline. Scottish Calvinism put discipline before all else, and won.—R. M. MacIver.

Anyone familiar with Canadian history will realize that an attempt to interpret the French-Canadian point of view is a hardy undertaking. To do so comprehensibly in so short a volume as *The French-Canadian Outlook: A Brief Account of the Unknown North Americans* (New York, The Viking Press, 1946; 192 pp. $2.00), by Mason Wade, is an achievement of no ordinary merit. This work is preliminary to a more detailed and documented volume which the author is preparing, but perhaps its very brevity has enchanced the clarity of its analysis. The broad outlines of Quebec's history from 1534 to 1945—the colony under French rule, its contribution to North American exploration, the effect of conquest, the rôle of the church, the struggle for survival of the French language and traditions and for equal rights with Anglo-Canadians, the attitude toward Confederation, friction over separate schools and conscription—are all deftly sketched in the light of their cumulative effect on French-Canadian thought. The important fact for the reader of today is that Quebec is no longer the wholly rural province associated with its history and with tourist propaganda. It has become the most highly industrialized province of Canada, and with this transition has come the ferment characteristic of the industrial revolution whenever and wherever it has occurred. It is the impact of the actualities of modern urban life on a tradition based on a semifeudal existence which is at the root of recent French-Canadian restlessness but, with the particular mentality engendered by the past, the changes belonging to industrialization and urbanization have sometimes been confused with ethnic conflict. Survival, with its four elements of faith, language, laws and customs, still remains a subject of passionate interest to most French Canadians "long after survival has been assured" (p. 42). The focus of their outlook is indeed their "great innate resistance to change" (p. 10), and Quebec seems afflicted with a fateful blindness even to its own evolution in a changing world. The cult of the past, the more or less static concept of society, and the tradition of a classical education (limited to the fortunate few) have proved inadequate to the needs of modern French Canada. Futhermore, the recent war proved the impossibility of isolationism and, by cutting off France, forced Quebec to stand more firmly on its own intellectual feet. As the expression of an American

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and not a French Canadian, Mr. Wade's appraisal of the French-Canadian outlook is bound to differ from that of Quebec itself, but it gains rather than loses by being nonpartisan. If it seems harsh to some French Canadians, it is by no means unsympathetic. He has not portrayed French Canada in a vacuum but rather has drawn it in its continental dimensions. Both Americans and Anglo-Canadians should find this book helpful if they would understand " the French fact in North America," a fact all too long overlooked by them, though curiously enough not unnoticed among other nations of the western hemisphere.—IRIS SAUNDERS PODEA, New York City.

Publication by the Department of State of *Papers Relating to the Foreign Relations of the United States: The Paris Peace Conference, 1919* is said to have been suggested by the late President Roosevelt with the laudable purpose of enriching the frame of reference in which we again attempt to make peace. The volumes under review—Vols. V, VI, VII, VIII, IX, XIII (Washington, United States Government Printing Office, 1946. Vol. V: vi, 949 pp., $2.25. Vol. VI: viii, 1021 pp., $2.25. Vol. VII: vi, 985 pp., $2.50. Vol. VIII: vi, 986 pp., $2.25. Vol. IX: vi, 1053 pp., $2.75. Vol. XIII: xiv, 1018 pp., $3.25)—contain the minutes of the meetings of the Council of Four from March 20, 1919, when the Supreme Council of Ten gave way to the Big Four, to the signing of the treaty with Germany on June 28, 1919 (vols. V and VI); the minutes of the meetings of the Council of Heads of Delegations (the Four plus the delegate of Japan) from July 1, 1919 to January 10, 1920 (vols. VII, VIII and IX), when the sessions of the Peace Conference terminated and the Conference of Ambassadors carried on business begun by the Conference; and the Treaty of Versailles and annexes thereto with notes by Mr. Denys P. Myers which record actions taken in consequence of Treaty provisions (vol. XIII). Additional items are " Correspondence with the German Delegation Regarding the Terms of Peace " (vol. VI, pp. 765-996), minutes of meetings of the International Council of Premiers of the United States, Great Britain, France and Italy from December 12, 1919 to January 20, 1920 (vol. IX, pp. 841-951), and minutes of meetings of the Council of Ministers of Foreign Affairs of the United States, Great Britain, France, Italy and Japan from January 10 to 20, 1920 (vol. IX, pp. 955-1017). At appropriate places in minutes of meetings are the texts of communications to and from the peace makers. The materials in these six volumes are dramatic enough for any reader and invaluable to the specialist. Nothing is revealed that is sufficiently unexpected to upset the broad interpretations which have

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

been developed on the basis of previously available sources. The transcendent decisions of the Big Four were made in other meetings for which, according to a note of the Department of State (vol. V, p. vi), "no minutes appear in the Department's files."—BASIL RAUCH, Barnard College.

No state has been more bedeviled by political machines or has had as notable a line of party bosses as New York. The part played in state as well as national politics by Boss Tweed, Aaron Burr, the Clintons, the Albany Regency, Tammany Hall, Roscoe Conkling, Tom Platt and James A. Farley is well known and elaborately described in most histories. Thurlow Weed, the Whig boss or "dictator", rightly belongs in this famous group although he has generally been mentioned only because of his connection with the Anti-Masonic Party. In *Thurlow Weed: Wizard of the Lobby* (Boston, Little, Brown and Company, 1947; xiv, 403 pp. $4.00), Professor Glyndon G. Van Deusen, having dusted the cobwebs of obscurity off Weed, presents him as a party boss who climbed to fame and fortune by jumping on successive bandwagons, Anti-Masonry, Whiggery and Republicanism. Weed was neither better nor worse than the average party boss though he had higher ideals than Boss Tweed and stooped to shadier practices than Van Buren. He worked with able and upright leaders like Greeley, Seward and David Davis and not uncommonly favored wise policies. Such support, however, was never permitted to interfere with party regularity or to prevent Weed from advancing his personal fortune. Van Deusen's book provides one of the most illuminating accounts that we have of the methods, intrigues, schemes and motives of a political boss. While it may be overly insistent upon Weed's humanitarianism, his general good will, and his patriotism, it frankly admits that he was an utter and complete spoilsman, that time and again he took money to influence legislation and used his political influence to secure government contracts in which he was interested. Considerable attention is devoted to the ways in which Weed built his fortune of a million dollars. While his methods of making money were not entirely unethical for the time, they were such that a Lincoln, a Seward or an Adams would never have stooped to them. In his later years when his political power was waning and his fortune was made, Weed turned to more conservative policies. Emancipation he deplored; free homesteads carved out of the public domain were government handouts which might destroy man's initiative. Away with them all, he argued. Although Weed played a rôle of considerable importance in national affairs in the Taylor and Lincoln administrations, the book throws

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

little new light on them. Perhaps it is too much to expect that anything could be added to the maneuverings that secured for Lincoln the nomination and election in 1860—the most intensively studied period in our entire history. The author is familiar with the best of modern scholarship and he uses it to advantage. Professor Van Deusen is somewhat overly critical of Horace Greeley, although generally he is fair to Weed's political enemies. It will be interesting to observe how he treats Weed in his projected volume on Greeley. A brief analysis of the Weed papers would have been worth while.—PAUL W. GATES, Cornell University.

Professor Campbell insists that Shakespeare, though he may have written not for an age but for all time, nevertheless lived like other men in a particular period of time and like other writers reflected the prevailing ideas of the age in which he lived. Hence he conceived of historiography, like most of his contemporaries, as an art of teaching by examples. Professor Lily B. Campbell, in *Shakespeare's "Histories": Mirrors of Elizabethan Policy* (San Marino, The Huntington Library, 1947; xi, 346 pp. $6.75), introduces the discussion of the history plays by an informing account of the influences, deriving from both renaissance and reformation, which went to the molding of the Elizabethan version of this common idea. But Shakespeare's conception of the art of the theater was pervaded by the common belief in the didactic function of all art, and the history play became in his hands especially both a distinct form of the drama and a means of presenting history and the lessons of history to his public. The playwright's business was to hold up a mirror in which men might see human nature as in truth it really is. In his tragedies Shakespeare mirrored the moral nature of the individual, seen in terms of the dominant pattern of struggle between reason and passion. In his histories, on the other hand, he mirrored not ethics but politics, the nature of men ruling and being ruled, conceived according to the accepted principles of Elizabethan political thought: the divinity that should hedge a regnant king, the sinfulness of rebellion, the inevitability of retribution—it might be not until the third generation—upon usurpers. Shakespeare does not simply adapt his sources to the stage. Neither does he exactly match the characters and episodes of his plays with actual known persons and events. The lessons he teaches are made clear and convincing, not by precise topical reference, but, as drama demands, in the choice and management of plot and action. But an audience which had come through the great crisis of the fifteen-eighties surely followed the more keenly Shakespeare's presen-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tation of the story of King John and approved the more heartily the principles it set forth. So too an audience apprehensive of the disputes over succession likely to ensue when the last of Henry VII's grandchildren in the direct line should pass off the scene would know what to make of the double cycle of plays on the rise and fall of kings and usurpers from Richard II to Richard III. This brief notice does scant justice to the rare combination of zest, erudition, and critical illumination in Professor Campbell's book.—William Haller, Barnard College, Columbia University.

Hannah More is hardly known to the reading public in England or America today, though biographies of her are fairly numerous, the most recent of them being *Hannah More and Her Circle* (New York and Toronto, Longmans, Green and Co., 1947; xv, 274 pp. $3.50) by Mary Alden Hopkins. Besides the published sources for her heroine's life and literary activities, which are extensive (the collected *Works* of Hannah More run to nineteen volumes), the author has had the advantage of reading many unpublished More letters. She has been conscientious in carrying out her undertaking, she writes clearly and pleasantly, and it is evident that her work has been a labor of love. Hannah More, however, enjoyed so great a vogue as a writer in diverse fields, she had so many famous friends during her long lifetime, and she was associated with such memorable movements that a really important work in English social, literary and religious history could be written around her career. It cannot truthfully be said that this has yet been done.—R. L. Schuyler.

Once again do all those who have any positive interest in world affairs owe a debt of gratitude to Walter H. Mallory for editing the latest issue of his *Political Handbook of the World* (New York, Harper and Brothers for the Council on Foreign Relations, 1947; 214 pp. $3.50). The volume, as usual, contains accurate factual information on the governments, political parties, party programs, and press of all countries of the world as of January 1, 1947. This time, Mongolia has been added, and Iran and Iraq have been treated in more detail than formerly. Of special value are the short summaries of political events since 1938 or 1940 provided for virtually every country. The governing structure in the still-occupied states of Austria, Germany and Japan is clearly set forth. The section on the United Nations is deserving of separate mention for its thoroughness combined with brevity. Truly, as the foreword claims, the book "furnishes the necessary factual background for understanding political events in all

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

countries." The reviewer can think of only one serious criticism of the handbook, namely—that it appears only once a year!—WALTER CONSUELO LANGSAM, Wagner College.

Fernando Nobre has written a highly critical and positive contribution to a philosophy of government in our time which is as original as practical—*Demophilie* (Montreal, Fides Publishing Co., 1947; 150 pp. $2.50). It is truly the mission of the Americas to approach the old problem of the art of ruling and the technique of consent in a new light. Since the *fin du siècle* the European decadence, not in theory, but in practice has progressed in two wars which accelerated the return to an age of barbarism. What Renan feared and what Kidd fought, the emergence of pagan idolatry, modern only by an overwhelming technology, became the archenemy of mankind, like an Anti-Christ described in the apocalyptic visions. The defeat of Hitler is not the end of totalitarianism; Stalin's empire of the world is the same menace of the herd. After the French Revolution the modern state became an unstable equilibrium, all social forces disintegrated, the family as well as the church. Authority was superseded by power, and policy was directed by machines. The fiction of the government by the people covered the domination of particular interest and the persuasion or coercion of the masses. Like Roberto Michels in the *Sociology of the Political Parties* Nobre insists on the minority character of ruling bodies. Because the lack of stability is the cause of political calamity, he develops ideas of a permanent order. Democracy, originally in Switzerland and Scotland, was based on the covenant of the community. This organization of consent in the selection of true representatives was, what the French call, "*Le pays réel*". The will of the people by general education can be directed toward reasonable goals. In the community or municipality is the right place for obligatory and secret elections. The criteria of representation should not be family or party relations. Against the favoritism and nepotism of politicians and their rule of the game under pressure of the big interests a really independent public service of counselors can be chosen indirectly, and this Territorial Council must have dignity and authority like a court of justice. The democratic idea of turnover demands an election of one third of this body every fourth year. Social welfare generalized like the labor service would be the main concern of these councils above which a Supreme Council will be permanently established, like a *Conseil d'Etat*, and the President will be always temporarily a member of this group. Combining ideas of the House of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Lords and of the American, not French, Senate the government for the people is considered the highest office of disinterested patriots. Nobre's idealism is not utopian like the ideas of new Middle Ages, but a modern conservative idea founded on the moral principles of Christianity and appealing like the ideas of high-spirited elder statesmen to a generation of despair. The reviewer would like to recommend it vividly for discussion.—Gottfried S. Delatour, Columbia University.

The following volumes in COLUMBIA STUDIES IN HISTORY, ECONOMICS, AND PUBLIC LAW have recently been published, or are now in press.

527—*The Progressive Movement in 1924.*
By Kenneth C. MacKay. Price, $3.75

528—*A Constitutional History of Georgia.*
By Ethel Kime Ware. Price, $2.75

529—*The Economic Rivalry between St. Louis and Chicago, 1850-1880.*
By Wyatt Winton Belcher. *In press*

530—*Intellectual Interests of Engelbert of Admont.*
By George Bingham Fowler. Price, $3.00

531—*Iceland through World War II.*
By William Charles Chamberlin. Price, $2.25

532—*Judicial Review in Virginia, 1776-1928.*
By Margaret Virginia Nelson. Price, $3.00

533—*History in the* Encyclopédie.
By Nelly N. Schargo. Price, $3.00

534—*The Theory of Welfare Economics.*
By Melvin Warren Reder. *In press*

535—*American Diplomacy and the War of the Pacific.*
By Herbert Millington. *In press*

536—*Fernando Wood of New York.*
By Samuel A. Pleasants. *In press*

537—*American Interests in Cuba, 1848-1855.*
By Basil Rauch. *In press*

538—*The Inquisition at Albi.*
By Georgene W. Davis. *In press*

The entire list is published by the Columbia University Press, New York City; and in Great Britain and India by the Oxford University Press, London and Bombay.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED